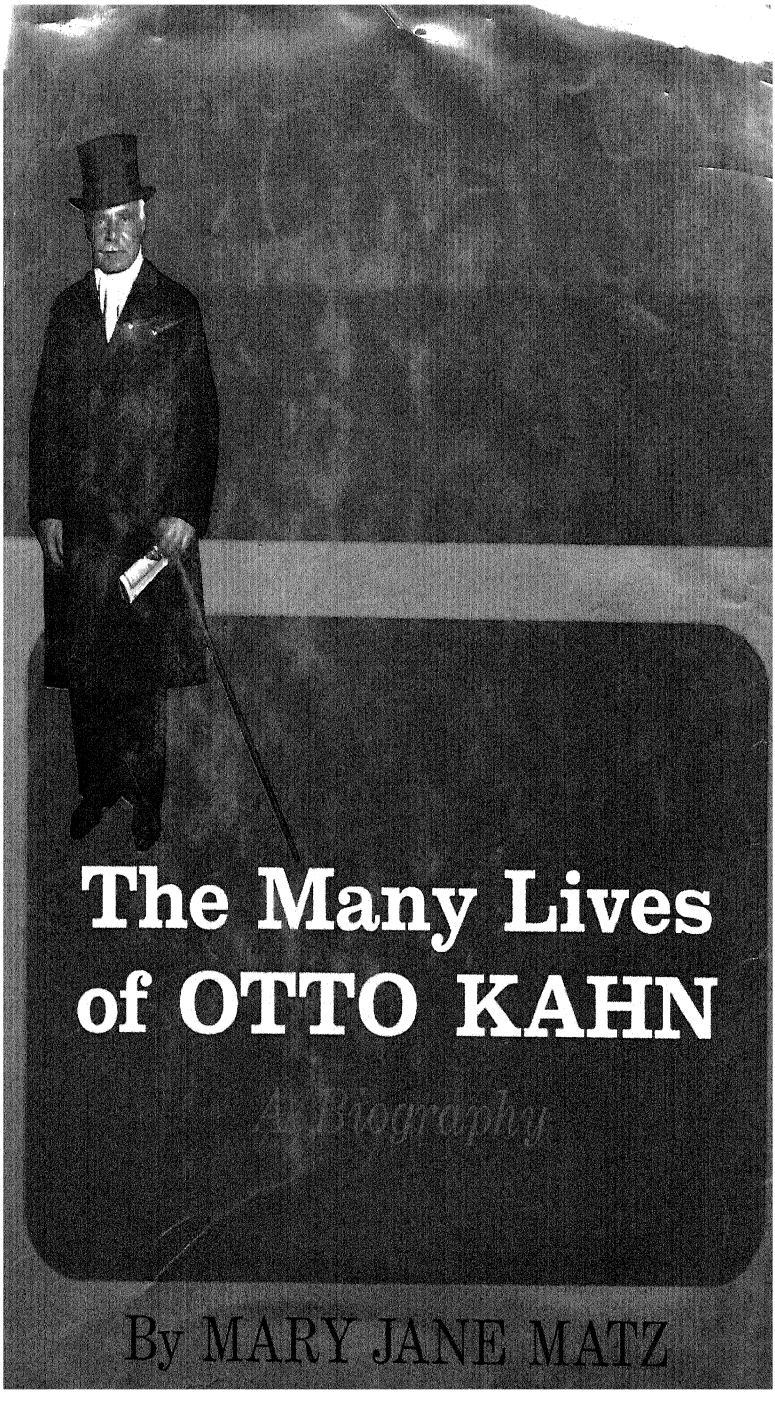

The Many Lives of OTTO KAHN

A Biography

By MARY JANE MATZ

$5.95

The Many Lives of OTTO KAHN

A BIOGRAPHY

By Mary Jane Matz

"Here was a man who was both equipped and disposed to be the most considerable Maecenas in the history of our theater," wrote Alexander Woollcott. It is the man behind that legend whom Mary Jane Matz brings to life in this spirited biography.

Otto Kahn, "The King of New York" in the twenties, had virtually created the city's new Metropolitan Opera with his enormous energy and financial backing. He was responsible for introducing Stanislavski, Nijinski, the Abbey Players, the Moscow Art Theater, and practically every other important personage and event in the most vigorous era of American theatrical history. He subsidized, sponsored, and had close relationships with Toscanini, Caruso, Chaliapin, Pavlova, Pirandello, Eugene O'Neill, Paul Robe-

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The Many Lives of OTTO KAHN

The Many Lives of OTTO KAHN

by

Mary Jane Matz

THE MACMILLAN COMPANY, NEW YORK

COLLIER-MACMILLAN LIMITED, LONDON

Rube Goldberg's story "Are There More Than One Otto Kahn?" was published in *The New Yorker* of April 9, 1927, and is paraphrased in this book through the courtesy of *The New Yorker.*

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MARGARET D. RYAN

1963

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To Margaret Kahn Ryan, whose love for her father and whose unflagging interest made possible The Many Lives of Otto Kahn.

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"Here was a man who was both equipped and disposed to be the most considerable Maecenas in the history of our theatre."

—ALEXANDER WOOLLCOTT

PART I

The Source of an Epic

1

How Many Otto Kahns?

"ARE THERE MORE than one Otto Kahn?" Rube Goldberg asked plaintively in the pathetic story of Mr. Wellington Mish, a tourist from Walla Walla, Washington, who came to New York bearing letters of introduction to a number of eminent personalities.*

At nine-thirty the morning after his arrival, an official of a large bank picked up Mr. Mish and drove him downtown. On the way he pointed out, in his new Minerva, Otto Kahn, of Kuhn, Loeb & Company, the principal stockholder of his bank.

At the office of the Customs Comptroller, Mish was told that he had just missed meeting Kahn, who had called in connection with the imminent arrival of a new Italian singer engaged for the Metropolitan Opera Company. At a luncheon club, he overheard a man thanking Kahn for a profitable tip on the preferred stock of Consolidated Horseradish.

The first item to catch his eye in the early edition of an afternoon paper was that Kahn had left for a tour through France, England, Germany, Australia, Asia Minor, South Africa, Skagway, and Duluth. At Duluth, Kahn said, he hoped "to pick up a few examples of early Egyptian wood carving for my collection of Chinese back scratchers." At his hotel, Mr. Wellington Mish overheard a bellhop in the corridor thanking Kahn for a gift of one hundred thousand dollars with which to establish a country-wide chain of nut stores. "The name of Otto H. Kahn," the boy said, "will always be next to that of my mother in my heart."

* *The New Yorker*, April 9, 1927.

"Don't mention it, my boy," Kahn answered. "I would do as much for any stranger."

Mr. Mish had tea at the Ritz with T. Bulova Snodgrass, author of the play, *The Square Baloney,* then running on Broadway. There Snodgrass pointed out Otto Kahn, immaculately dressed, having tea with Cyril Maude, Aimee Semple McPherson, the Marquise de la Falaise, Gene Tunney, Texas Guinan, Secretary of State Kellogg, and One-Eyed Connolly. Every few minutes someone would come to their table, speak to Kahn, and the great man, smiling graciously, would take out his checkbook, write a check, and hand it over.

"Mr. Kahn owns two-thirds of my show," Snodgrass told Mish. "He put $32,000 into it and has already got fourteen dollars back, though the show has been running less than six months."

Picking up a late edition of a second afternoon paper, bewildered Mr. Mish read that Kahn was in Florida. That night at the premiere of a revue he saw the man again, and heard a dozen people say, "There is Otto Kahn." A woman in the row behind Mish commented on the "wonderful speech" Kahn had made at Salt Lake City the day before. The theatre program carried a notice that Kahn was touring in Mexico.

Later, having gone to an aftertheatre supper, Mish ran screaming from the Pennsylvania Hotel: "He's here, too, playing the kettledrum in his son's band!" With that Mish was bundled off to Bellevue.

This was Rube Goldberg's view of Kahn. A note at the foot of the article added that the directors of the Museum of Natural History had received news of a race of Otto Kahns in Central Africa. An illustration heading the piece showed a vaudeville team of fourteen men, billed as "The Bounding Otto Kahns" balancing and juggling several dozen objects simultaneously. Each performer was a caricature of Kahn—white hair, black eyebrows, wide smile, and broad stubby hands.

Like all good caricatures, the Rube Goldberg piece and other sometimes whimsical characterizations of Kahn, emphasized, rather than distorted, the truth.

In 1928, for instance, a syndicated squib labeled New York as

"a town frequently mentioned in connection with the name of Otto Kahn."

The New Yorker printed Kahn items in its "Talk of the Town" column so frequently that Editor Harold Ross once tacked a notice on the office bulletin board which read: "Otto Kahn has been mentioned six times in Talk recently. There will be no more mentions of him for six months."

In 1924, O. O. McIntyre asked himself who the best known man in New York might be. As an experiment he telephoned twelve men and jotted down the first name that came to their minds. Seven said Kahn. Three, Irving Cobb. Two, Will Rogers.

Clemenceau called Otto Kahn the greatest living American. Thomas Edison thought him one of the most distinguished men in the world. To Max Reinhardt and Will Rogers he was the "King of New York." He was the American most frequently decorated by foreign governments, the Maecenas of the American theatre, the foremost expert of his generation on railroad financing, one of the most celebrated financiers in the history of American banking. The catholicity of his tastes, the range of his enthusiasms, and the immeasurable circumference of his circle of friends turned Otto Kahn into a whole regiment of men.

He was the banker, for whom finance was both a serious vocation and a game of wits played on an international chessboard. He was the builder of railroad empires, the tireless reader, the first-nighter, the friend of kings, ministers, presidents, and struggling Greenwich Village artists, the captain of the advance legions of liberalism, the floater of transatlantic loans, the golfer, the jester, the *bon vivant* hedonist and lover of beauty in all its forms. He was the master of private trains and yachts, the restorer of monuments abroad, the lifegiver of art in the United States.

Until his death in 1934, Kahn, in his Savile Row suits, his plus fours, or his white tie and big, black opera cape, was one of the most familiar and most beloved men in the world. For more than forty years, he preached the creed of art and beauty.

He was heir to the ancient wisdom of Israel, a child of Germany, a subject of Great Britain, later an American citizen, but

in truth a citizen of the world. And in all the diversity of his vivid personality he showed evidences of his heritage and the environment into which he was born.

The pink and rose stone city of Mannheim, set at the convergence of the rivers Rhine and Neckar, is an orderly city. It lies in peace in a valley between two ranges of wooded hills. "Mannheim, friendly, serene, and symmetrical"—thus Goethe eulogized the city in *Hermann und Dorothea,* after one of many visits there.

It was a center of Rhenish liberalism, the capital of the *Kurpfalz,* the seat of an enlightened elector. In the eighteenth century it became noted for its interest in the fine arts, spreading influence to the north and west, and even across the Alpine wall southward into Italy. It was called the City of Work, the City of Banks, the Busy City, the Lively City.

Twenty-five copper engravings of the city issued in 1872 look like neat designs for stage settings. At first glance, they even seem to be the same plate, slightly reworked, with only an occasional baroque tower to interrupt the stately procession of many-windowed facades.

Its artistic reputation was proportionate to that of its heavy commerce: music, theatre, concerts, and museums came to mean no less and no more to its people than the harbor, the banks, and the marketplace. If money came first, it was only because the business day preceded the theatre evening in the natural order of things. The one made the other possible. To plunge into commerce and to neglect art was, from the middle decades of the eighteenth century, a civic sin.

It was in this Mannheim, on February 21, 1867, that Otto Kahn was born. His antecedents were Rhenish Jews. His grandfather, Michael, with his wife Franziska, operated a featherbed factory in one small room of their narrow, high, timbered house in Stebbach. Here their first son, Benedikt Bernhard, who was to be the father of Otto Kahn, was born.

The Kahn family was known for its energy. Its members worked together in their small enterprise, sorting and handling feathers, a part of which were brought to Stebbach by local

farmers, the rest shipped from more remote sources. As their business expanded, it was transferred from their house to a factory nearby. Each of the Kahns' five sons was introduced into the family business as the firm continued to grow. Through Baden and Württemberg their merchandise was sold, shipped by rail from Karlsruhe. Contacts established early in Alsace and Strasbourg took Michael Kahn and his sons, as each came of age, into the French provinces to the west. All were intent upon realizing the family firm's motto: *"Immer rastlos voran."* "Ever restlessly forward"—no family motto was ever more accurately exemplified than this one was by the Kahn family's most famous member, Otto.

In 1851 the family and the firm moved to Mannheim, where a banking house was established. Later a branch was opened in Frankfurt.

Bernhard Kahn, the father of Otto, became the family's official foreign representative. This seems to have been the outcome of his revolutionary activities; it is said that he fled to America in 1848, where he may have become a naturalized American citizen. He returned to Mannheim on September 5, 1860, six weeks before his marriage to Emma Eberstadt, the daughter of a Jewish merchant from Worms, thirteen years younger than her husband. Their residence was established in a house near the elector's palace, two blocks from the great baroque Jesuit church, two blocks from the National Theatre.

In this neighborhood, their son Otto lived from his birth until his eighteenth year. Born in the first house his father owned, he was reared in the new villa which Bernhard Kahn commissioned in 1870, across from the Jesuit church and on the city's riverside Friedrichspark, the most fashionable location in Mannheim. Swans glided across the park lake in summer, skaters on its ice in winter. There the citizens of Mannheim gathered to drink beer and wine to the accompaniment of a café orchestra, which played the city's favorite "garden music." There flourished some of the city's celebrated rose gardens, for Mannheim is the city of roses. Its streets are rich in cafés, restaurants, clubs, and even a concert hall designated by the name "Rose."

In view of his later history, several aspects of the boy's early life are of especial interest. He was born into a family of bankers. But to his parents and their friends, a perception of beauty and a respect for the fine arts were of at least as great importance as were their financial transactions.

The Mannheim Kahns pursued a life that was both intellectual and, at the time, faintly Bohemian. Financially secure, they could indulge their taste for art, music, poetry, and drama. These, with politics and philosophy, set the tone of their home life.

"I give my parents credit and thanks for having stimulated in me, from my early youth, a serious interest in art, for having taught me to love and revere art, and for having enjoined me never to let art go out of my life, wherever and however I might find myself," Otto Kahn wrote in the early twenties. "This is one of the greatest gifts that can be given to anyone on his way through life, a talisman capable of accomplishing wonders far greater than Tamino's magic flute."

And in 1923: "As long as I can think back—and I recall beside my parents, my grandparents and great-grandparents—art had been practiced, cultivated and cherished in my family. My feeling for it, my reverence for it, and a little knowledge of it constituted a precious inherited possession."

Otto Kahn was the fourth child born to this cultured, whimsical family. His father was devoted to business enterprises, to reading, civic affairs, and charity. He took an active part in several local humanitarian enterprises, helped support musical organizations, and served for twenty-five years as a member of the Mannheim City Council. The Kahn house was a rendezvous for creative people. The young Otto passed his formative years in a house which was hung with paintings and was rich in sculpture and elegant furnishings.

Kahn's parents entertained frequently at "conversation evenings," where Heine, Schiller, Goethe, Carlyle, and Shakespeare were discussed.

Private recitals were held. At them, Kahn later recalled hearing Chopin, Beethoven, Schumann, and Mendelssohn, who were the family's favorite composers. In the 1880's the Kahn and the

Eberstadt families joined a "Brahms Circle," which met in the salon of the music shop proprietor Theodor Sohler to learn and play Brahms scores.

The Kahn children were, in their early childhood, tutored privately. Again heavy emphasis was laid on the arts. Emma Eberstadt Kahn declared that her children did nothing but write poetry and plays and sing opera. "Which of them will ever be able to take charge of the family affairs?" she asked when her son Robert chose a career in music. He was later celebrated as a pianist and composer.

Otto Kahn began to take lessons on the piano at the age of eight. As precocious as his older brother, he soon added the cello and the violin as second and third instruments. The boy's studies in music continued without interruption until, at seventeen, he ranked among the most proficient amateur musicians in Mannheim.

In the Kahn family there was no allegiance to any formal religion. Kahn, in a letter to a friend in 1918, was specific about this. He had been reared, he said, without any religious instruction whatever. He reported that this fact had caused him acute concern and regret from the time he reached manhood:

"It has had the natural and irreparable effect of preventing me from feeling that personal concern and taking that serious interest in Jewish affairs which I might as a matter of course be assumed to possess."

His father was a liberal of the school of 1848. His mother was "one of those beautiful, romantic myths, the Eberstadt women," as a chronicler put it, a high-spirited cosmopolitan, a Francophile, a woman of refined taste in rare wines, rich foods, and Bielefeld linens. She pampered her children, among whom she is said to have had favorites. Otto was not among them. Neither was Clara, the eldest daughter. On the evening of Clara's first ball, the family's old cook exclaimed joyfully, "Isn't she beautiful?" To which Kahn's mother, in a fit of exasperation over her daughter's homeliness, snapped, "Yes—from behind!"

Memories of moments like this may have moved Kahn to his often repeated comment that he had known "a Spartan child-

hood." Certainly he overstated the fact. Lack of discipline and tolerance characterized the family's child-rearing methods. Bernhard Kahn was cheerful, tractable, and forgiving. But Emma, for all her caprices, brought up eight children creditably.

Kahn was eleven when a rich banker, a friend of the family, invited him to be his guest at the opera. The boy was caught up in the great sweep of Wagner's music. Spellbound, he sat motionless through the evening. His host slept. The contempt which Kahn felt for this insensibility colored his attitude toward philistinism for the rest of his life.

"I pitied him, that with all his money he still could not enjoy that beauty," Kahn said.

Although *Who's Who in America* and other biographical encyclopedias list Kahn as a "collegian," he almost certainly never received a degree. At the *gymnasium* in Mannheim, no record exists of his having completed his studies. There is some evidence that the intervention of his mother ended his formal education. During his early teens, the boy became a prolific writer of poetry and drama, working under the influence and inspiration of the august National Theatre nearby. Two ponderous five-act plays in blank verse constituted only a part of his literary output during these years. But his mother persuaded him to "throw it all on the fire," Kahn said. "She was convinced that I would never be a great poet," he admitted forty years later, when asked why he had not become a writer.

But he did not grow up without the influences of collegiate life. Arrangements were made with business associates in Karlsruhe to place the young man, when he was about sixteen, in a bank where he might be trained objectively by bankers who were not members of his family. Settled in Karlsruhe, he enrolled for evening courses in the university, where he studied literature, history, and music.

Any illusions he may have had about his own importance were immediately dispelled on his first day in his banking career. He was assigned to four specific jobs: to clean inkwells and refill them; to lick stamps and affix them to letters; to fetch beer and

sausages for the clerks; and to keep the offices in order. He accepted his onerous, small duties philosophically. It was "useful, salutary training," he said years later. "It taught me discipline and order. One must learn to obey before being fit to command. It instilled in me a proper sense of place and emphasized that the most humble duties must be performed conscientiously and without any loss of self-respect."

He had not been long in Karlsruhe before the president of the bank noticed "that boy on the left, the one who keeps at it all the time." Kahn had worked out a system of stamping letters that raised his work output to twice the volume of that of the other junior clerks. Soon promoted, he assigned a novice to clean *his* inkwells and bring *his* lunch. When Kahn left Karlsruhe three years later, the directors of the bank considered him the most promising young man in their firm.

At nineteen, faced with compulsory draft, Kahn volunteered as an *einjähriger Freiwilliger* in the Mainz Hussars. The service left two permanent marks on him: first, his rigid stance, so unmistakably soldierly that he was often asked whether he had ever been an army officer; and second, his lifelong dislike of militarism. In the service he was taught the beginnings of strict self-discipline, one of the most conspicuous aspects of his adult personality.

His term of service ended, Kahn went to London with a letter of recommendation from his first employers in Karlsruhe. In the English capital he joined the staff of the Deutsche Bank. He took his leave of the State of Baden in 1890, his first step toward his destiny in the English-speaking world.

Kahn thrust himself directly into the accelerating tempo of *fin-de-siècle* London, a city which dazzled and exhilarated him mightily. In the twenty-seventh year of Victoria's widowhood and the sixty-ninth of her life, London had begun to stir from the rigidity that marked the era which bore the Queen's name. As the 1880's progressed, there arose a new interest in intellectual and artistic activity.

It was a part of the good fortune which accompanied Kahn through life that he came to the city just as the wave surged to a

crest. He established himself in bachelor quarters with Paul Warburg, a son of the founding family of M. M. Warburg of Hamburg, the oldest private banking house in Europe. Warburg, who was much later to join Kahn as a partner of the banking house of Kuhn, Loeb, in New York, became one of Kahn's few intimates.

Within a year Kahn was vice-manager of the London branch of the Deutsche Bank, a not inconsiderable achievement for a young man of twenty-four.

In his early twenties he was small, lithe, and moustached, smoothly combed and firmly good-humored. From the very start of his career he bore the reputation of being imperturbable. His large, expressive brown eyes turned up slightly at the corners, as if he were enjoying some small, private joke. Young and old, he was a dandy. He adopted Savile Row garb upon his arrival in London and mastered a cosmopolitan refinement and poise. He became a Londoner at once, falling quickly into that worship of the city which Richard Le Gallienne, Kahn's friend, was to express in verse:

> "London, London, our delight,
> Great flower that opens but at night,
> Great city of the midnight sun,
> Whose day begins when day is done."

The day of Kahn's banking vocation began for him at dawn. His theatre day began after dinner. He had been burning candles at both ends since the early years of his youth. Six hours was his nightly ration of sleep for almost fifty years. It more than sufficed for this exuberant young man, set free in a metropolis which was at that moment striding across the threshold of an artistic renaissance.

In London he saw, for the first time, Ibsen's plays: *Ghosts* in 1891, *A Doll's House* in 1892, *The Master Builder, Rosmersholm, Hedda Gabler,* and *An Enemy of the People* in the following year. The *Daily Telegram* called *Ghosts* "an open sewer, a loathsome, unbandaged sore, a filthy act performed publicly." But Kahn became a devoted Ibsenist.

He had first seen Shakespeare's plays at the National Theatre in Mannheim. Joyfully he renewed his acquaintance with them in their original language at the London revivals staged by Henry Irving and Beerbohm Tree. He attended the evenings of the Stage Society, which flourished under the aegis of Harley Granville-Barker. He sought out concerts, operas, recitals, chamber music: all that he could absorb.

He mastered the fine, self-conscious literary style of the era and the elevated conversational mannerisms which matched it, as well as Wilde's preoccupation with epigram and paradox and Beerbohm's delicacy and dandified pose.

Like many young Germans of his time, Kahn venerated Carlyle, from whom he absorbed a feeling almost of reverence for the hero, whether in politics or in art, and his view of biography as the foundation stone of history. Later on, he saw in Theodore Roosevelt, Harriman, and Mussolini heroes in the Carlyle tradition. Even his respect for singers, poets, and artists was a species of hero worship.

An influence scarcely less powerful than that of Carlyle was Walter Pater. *Studies in the Renaissance* had been published in 1878, *Marius the Epicurean* in 1885, three years before Kahn, at twenty-two, arrived in London. Kahn fixed his eye on Pater's definition of wisdom: to live as pleasurably as one can, so long as the body holds together. Art for art's sake, Pater's apothegm, became his for life.

Otto Kahn's entry into London society was greatly facilitated by the position of his mother's sisters, Elizabeth and Maria Eberstadt, both of whom had married English professional men and lived in London.

Both of Kahn's aunts conducted intellectual salons. Between their circle and that of the Prince of Wales there existed a certain overlapping; so that Kahn was enabled through his family connections to meet, however casually, many of the most important literary and artistic figures of the decade, Wells, Le Gallienne, Beerbohm Tree, Maxine Elliott, Henry Irving, Harley Granville-Barker, and others. In London, too, he encountered scores of

musicians, many of whom eagerly sought him out in New York twenty years later, when he, as the President and Chairman of the Metropolitan Opera, could wield his influence on their behalf.

It was a lively life, unconventional and bright with the hectic gaity which marked the substrata of London society of the day. Here was established the pattern of Kahn's life in which the worlds of banking, the arts—especially for theatre and opera—and association with some of the world's most influential personages overlapped.

He became a British subject and might have remained in London indefinitely, perhaps for the rest of his life, if the banking firm of Speyer & Company had not offered him a place, in the spring of 1893, in their New York office. Although it was a lesser position than that which he held in London, his desire to taste life in America led him to accept it. In the late summer of that year, he sailed for New York, equipped, he said, only with a suitcase of clothes and a love for art and beauty. Apparently, he had no thought that the move should be permanent. America was, for him, a new adventure, a new day, a new world to inspect. At twenty-five, he prepared to attack it with the same vital energy that he had brought to England five years before.

PART II

The Banker

2

Young Man in New York

WHEN OTTO KAHN joined Speyer & Company on August 25, 1893, he stepped onto a stage different in many ways from that of the London banking world that he knew. Many of the titans of American finance, some descended from strict Protestant families, were severe, dour, and unsmiling. Jacob Schiff, the patriarch of American Jewish millionaires, was austere and stern. Although his colleagues on Wall Street sometimes fell below Schiff's moral standards, they shared generally his forbidding mien and his respect for stringent observance of rigid rules governing public deportment.

That a serious banker should wish to associate with poets, artists, actors, or singers as Kahn did was quite beyond their understanding. The personal histories of financiers who had consorted with women of the theatre constituted a black chapter from an embarrassing past which Wall Street tried to forget, along with railroad gangsterism and the shotgun law of twenty years before. Respectability was the watchword of the day.

Yet the occasional gross disregard for the public welfare of some of his colleagues and their insolent pride in their wealth revolted the still youthful Otto Kahn, although he was neither falsely modest nor prudish. He noted with some dismay that their wealth brought these men little joy. But at the outset he wisely kept his own counsel about these things. He watched, said nothing, and moved quietly into the routine of The Street.

Each day he went from his bachelor quarters at 26 West Thirty-

fourth Street downtown to Speyer's, where he became known even in his first months for his assiduous devotion to work. One of the anecdotes of his earliest days in New York relates that, in a blinding snowstorm, he made his way to Wall Street, only to find that of Speyer's large staff he was alone in the office.

When he arrived in New York the country was in the throes of the Panic of 1893. Two months before his arrival, Jacob Schiff of Kuhn, Loeb, who would later become Kahn's partner and mentor, had written to the railroad tycoon James J. Hill, "I have never experienced a similar state of affairs since I have been in business."

The panic—Kahn quickly learned that on Wall Street the softer euphemism, "crisis," was proper usage—was followed not by an amelioration in business, as Schiff hoped, but by a prolonged depression, the most severe in twenty years. Four years passed before Bryan's defeat by William McKinley heralded a financial revival.

Kahn's first impressions of America were of a poverty-stricken country. Major railroads teetered at the brink of ruin. An earlier crisis in 1890 had been averted only by the harvest of the largest American grain crop on record at a moment when Europe had suffered much crop damage. Schiff's biographer notes, however, that the bumper crop of 1891 merely put off the crash another year. In 1893, bedraggled hordes of weary, shabby, hungry members of the unemployed shuffled miserably in bread lines. Formerly thriving businesses operated at a loss and many factories closed down completely. The word "strike," which was anathema to both bankers and businessmen, appeared in the newspapers with frightening frequency. In 1894, Coxey's pitiable "army" marched on Washington to confront the seat of government with their plight. Shops closed. Children went to bed at night hungry. Otto Kahn was always to remember these things as his first impressions of America.

Working at Speyer's, he observed at very close range the giants of Wall Street, some of whom maintained a faint contempt for both polish and education.

James Stillman of National City Bank remarked that Kahn

would be "a promising chap, if he will only forget that art nonsense." But the young man, then twenty-six, filled with buoyant self-confidence and blessed with common sense, had taken the measure of his own powers. His inner nature reassured him that his predilection for the arts would not hinder his march toward success. It is characteristic of him, who thought a grudge the most useless of all human burdens, that he held Stillman in genuine affection and admiring regard in spite of the remark.

Kahn's social connections in London served him well in New York. Through these connections he met Abraham Wolff of Kuhn, Loeb & Company, and his daughter Adelaide.

Addie Wolff was born in New York, the daughter of Abraham Wolff and Lydia Cohen, who came of an old American-Jewish family.

Abraham Wolff brought up his daughters according to a strict code. Lydia Wolff died when Addie was a girl, and the task of managing her father's house had made her far more serious than most young women of her age. She was reserved, intense, and strong-willed, even at twenty. In self-discipline and erect posture she proved the equal of Otto Kahn himself. Her gray-blue eyes and masses of light brown hair were accented by fair skin. She was tiny—exactly five feet tall—with a small, exquisite face and a long straight nose.

Addie Wolff and Otto Kahn were married on January 8, 1896; they went abroad for a year. On their return, they made their home with the elder Wolff, in his Italian villa in Morristown, which remained their residence even after Kahn acquired a town house at 8 East Sixty-eighth Street in New York.

The marriage, which lasted until Otto Kahn's death, nearly forty years later, was unusually fortunate in the community of interests which it exemplified. Mrs. Kahn, as well as being a sculptress, was a member of the board of directors of the New York Philharmonic Society. She was a fluent linguist and an avid reader. After Kahn's death, she succeeded him as a director of the Metropolitan Opera, continuing in that post until her own death. Her place at the Metropolitan Opera was taken by her daughter, Mrs. John Barry Ryan, the third member of the Kahn

family to play an active role in the Metropolitan Opera Company.

Mrs. Kahn was responsible for the decoration of several houses which she and her husband owned during their life together. In the late 1920's, when Kahn launched his ambitious program to build a new Metropolitan Opera House, Mrs. Kahn spent considerable time and effort on the plans submitted for the building.

The Kahn residences were renowned for their splendor. After a private performance of *Chauve Souris,* which Kahn had staged at 1100 Fifth Avenue in 1922, Morris Gest wrote Kahn that Balieff "raved over your house. People from the company who had been in some of the imperial houses in Petrograd, said that yours was the finest home that they had seen." It was during that same year that *The New York Times* called the Kahn home in Cold Spring Harbor "the finest country house in America." Several hundred people wrote to Kahn, asking to be allowed to see one or both of his residences. To dozens of them, whether he knew them personally or not, Kahn replied that they might come "exactly at five o'clock," at which time he or one of his household staff would receive them.

Precision was a dominant characteristic of the man. When newspaper reporters asked for interviews, he consented—"but not over five minutes," he would write. Likewise, "I shall see you in my office at exactly 10:45, but only for about twenty minutes," he would advise a business associate. His golf matches began "precisely at 10:27." And at 10:27, Kahn would tee off, checking the time by his Cartier wristwatch. In 1920, when the mainspring of his watch broke, Kahn sent it back to Paris for repairs. At his request, Cartier lent him another to wear until his own was returned. Kahn admitted that without a wristwatch he would be lost.

It was Addie Kahn who was largely responsible for most of the Kahns' celebrated art collection, which was widely held to be one of the most dazzling private collections in the United States. Among their paintings were a Franz Hals "Family Group"; Rembrandt's "Head of a Jewish Student" and "Philemon and

Baucis"; Lorenzo Lotto's "Portrait of a Young Cardinal"; Lorenzo di Credi's "Florentine Girl"; Botticelli's "Giuliano dei Medici"; Carpaccio's "Portrait of a Man in Armor"; Lucas Cranach's "Venus and Amor"; Giovanni Bellini's "Flight into Egypt"; Mantegna's "St. Jerome"; as well as works by Sansovino, Andrea Pisano, Gerard David, Martin Schoengauer, Boucher, Nattier, Clouet, Canova, Corot, Gaddi, Canaletto, Guardi, Romney, and Matisse.

Many of the Kahn paintings have been bought by museums and one was sold for the benefit of charities by Otto Kahn's children. One of them, however, still hangs in the space which was designed for it at 1100 Fifth Avenue. It is a Sienese Byzantine Madonna, hung in the main floor reception room of the house, which is now the Convent of the Sisters of the Sacred Heart.

To Otto and Addie Kahn, two daughters and two sons were born. Maude, the eldest, became the wife of Major General Sir John Marriott; Margaret Dorothy, the second daughter, married John Barry Ryan, grandson of Otto Kahn's friend Thomas Fortune Ryan; Gilbert Kahn followed his father in the banking profession at Kuhn, Loeb, where he is, as this is written, a partner; Roger Kahn, the youngest, became an orchestra leader while he was in his teens, and later a test pilot in aviation and an official of the Grumman Aircraft Corporation.

It was at Morristown, New Jersey, that the children grew up. Their days were carefully scheduled and regulated by Mrs. Kahn. "The Kaiser's court was no more solidly founded on tradition than the Kahn household," said a governess who was long in residence with the family. During the week they followed a scheduled program of lessons, play, and discipline. But the routine was shattered on weekends with the arrival of Kahn from New York. For when he was near his children, he was irrepressible, constantly diverting them.

On Sunday morning walks, he strode along the tree-lined roads of Morristown in his big tweed country cape, his delighted children beside him. When with them, he was completely theirs. Henry Russell, director of the Boston Opera, recalled visiting

Kahn in England, at Cassiobury House, where the family was in residence for the summer. He arrived on Sunday afternoon:

"It was the instinct of the father which took the upper hand; and he joined his children at their games as if he were one of them. They untied his tie, ruffled his hair, pulled off his coat and made him look entirely disreputable. . . . I had motored to Cassiobury with Lord Grimthorpe. We arrived unexpectedly. Grimthorpe was anxious to consult Kahn about the Travellers' Club in Paris. After sending in our names, we were shown into a large drawing room.

"In the center of the floor, sat Kahn, surrounded by toys and children. We apologized for interrupting their game.

" 'Oh,' said Kahn, smiling, and enjoying the situation, 'you are not interrupting; but this afternoon I belong entirely to the children. Do have some tea.' "

But he could also be serious with his sons and daughters. He followed their lessons carefully, both in person and by mail, as many letters concerning their homework attest. Their reading and their newly learned languages were a matter of constant interest to him, as also were such small details as their food, which he planned and approved on their summer tours of Europe. One of the most amusing group of letters in the Kahn Collection at the Firestone Library in Princeton consists of those to the managers of hotels and railroads specifying the details of the children's meals. To the Great Western Railway, in 1910, Kahn wrote requesting roast chicken, mashed potatoes, snap beans, and "freshly baked milk custard" for a given date. The family carried tinned Walker-Gordon milk from the United States, no matter where it traveled.

On January 1, 1897, Abraham Wolff welcomed his new son-in-law as a partner in Kuhn, Loeb. In Wall Street that day, the news created scarcely a ripple, for Otto Kahn was little known in the financial district at that time. He entered the firm simultaneously with Felix M. Warburg, who had married Jacob Schiff's daughter Frieda in 1895.

When Otto Kahn shook hands with his partners and sat for the first time in the chair behind his new desk at Kuhn, Loeb,

he settled into the position which he was to hold until his death thirty-seven years later.

He had become part of a rich, securely established firm. The great investment banking house of Kuhn, Loeb & Company had been founded on February 1, 1867, by two retired merchants, Abraham Kuhn and Solomon Loeb, who had originally formed a partnership firm in general merchandise in Lafayette, Indiana, about 1850. Several years later they moved their business to Cincinnati. There the thriving river and rail trade had brought them prosperity and permitted them both to amass substantial fortunes. In 1865, Kuhn and Loeb retired from business in Cincinnati and moved their families to New York, where they expected to live out their last years in quiet comfort.

But the temptation to return to business proved too strong. Two years after their voluntary retirement, they founded their own banking house. Gradually they came to concentrate more seriously on securities than on commercial bankers' concerns. They established a market for railroad and government bonds and soon emerged as one of the most important banking firms in the city.

In 1875 Kuhn and Loeb took in two younger partners, the German bankers Jacob Schiff, twenty-eight years old, and Abraham Wolff. Schiff had been born in Frankfurt-am-Main in 1847. He was just eighteen when he wrote to a St. Louis businessman expressing his strong desire to come to the United States and find a permanent position in one of the larger cities. Although his letter brought him no employment, he determined to come to America and look for work. He left Germany in the summer of 1865 and arrived in New York on August 6.

Schiff soon found a position as a clerk in a brokerage firm, but before he was twenty he had founded his own brokerage house with two partners. The company was dissolved in 1872 when one of the partners returned to Europe. Schiff followed, for a visit. While he was there he met Abraham Kuhn in Frankfurt. Kuhn proposed that the energetic young Schiff should come to New York and join Kuhn, Loeb & Company; Schiff accepted. From the first day of his employment, his superior talents for banking became evident. Before he had been there many years, well known

European bankers were corresponding with him, the junior partner, instead of with the older members of the firm. When Kuhn and Loeb withdrew from the business in 1885, Schiff remained as the senior and prime mover in the firm.

Schiff had been the first Kuhn, Loeb partner to enter into one of the firm's famous dynastic marriages (of which that of Otto Kahn and Addie Wolff was one) on May 6, 1875, when he married Therese Loeb, the founder's daughter. Schiff's own daughter Frieda was to marry a partner, Felix M. Warburg. The Kuhn, Loeb succession was founded. Schiff's son and grandson have been partners, as have Loeb's son and nephew. Nearly one hundred years after the firm's founding, two partners are great-grandsons of a founder, while two, Gilbert Kahn and John Schiff, are the sons and grandsons of partners. Abraham Wolff's great-grandson, John Barry Ryan III, is also with the firm as this is written.

Schiff took in his own son Mortimer as a partner in 1897, when Otto Kahn came to Kuhn, Loeb. When these two young men became partners, the firm was engaged primarily in private banking, that is, the financing of governments and corporations through the sale of bonds and (very much later) stocks to the public. Schiff's biographer Cyrus Adler explained how they "mobilized accumulated capital in behalf of constructive enterprise."

Adler pointed out the responsibility of such a house as Kuhn, Loeb to serve both the investor in an issue of securities, and the government or corporation for whom the securities are issued, fairly and honestly. Not only was this a responsibility, he said, but also the only policy that would enable such a house to stay long in business. It must refuse to accommodate its customers if the funds they are seeking are to be used for purposes which, in the banker's opinion, are unsound. It must be competent to give its customers informed advice on financial problems, and keep its own resources liquid so that, in cases of need, if investors could not be found to take up an issue of securities, the bankers could themselves provide them. This meant that often the bankers must refuse to make large investments in tempting opportunities in

order to keep adequate liquid reserves. This was a point, according to Adler, on which Schiff was especially insistent.

A letter written by Schiff concerning the moral obligations a banking house has toward those who entrust their financial affairs to its hands it cited in the biography. In order to succeed, a house must be more honest than its competitors, Schiff believed, not taking profit alone into consideration, but giving serious thought to position, credit, and prestige. Kahn learned these lessons well from his mentor. Adherence to these views kept Kuhn, Loeb strong through panics, true depressions, and false booms.

Schiff refused to tie up large sums of money abroad or in this country simply for the sake of earning large interest, as he clearly stated in one of his letters.

"To work for the future, to be constructive and courageous, rather than to rest on the accomplishments of the past," this was Schiff's creed. "Schiff's financial achievements rested upon both his unusual grasp of performance and his unusual courage; . . . while essentially conservative, he often went in where others feared to tread; and . . . nevertheless, he rarely made a mistake in business judgment," according to Dr. Adler.

3

Otto Kahn, Harriman, and Railroads

SINCE 1877 the name of Kuhn, Loeb had been synonymous with railroad financing. The firm had been in this field ten years longer than had Morgan, for the latter's first venture into railroading had been the reorganization of the Baltimore & Ohio in 1887: Kuhn, Loeb had worked with the Chicago and North Western in 1877. In 1881, operations had been extended to include the Pennsylvania and the Chicago, Milwaukee and St. Paul. Later they handled the affairs of the Baltimore & Ohio, the Chesapeake and Ohio, the Denver & Rio Grande, the Great Northern; the Gulf, Mobile and Northern; the Illinois Central, the Kanasas City Southern, the Norfolk and Western, the Missouri Pacific, the Southern Pacific, the Texas and Pacific, and the Union Pacific.

In a Senate Banking Committee inquiry of 1933, Otto Kahn outlined for the committee members the nature and scope of Kuhn, Loeb's relations with the rail lines.

From Kahn's testimony:

"A railroad, or some particular officer of a railroad . . . would come to us and would say: 'We have such and such a problem to solve. . . . We would like to get your advice as to the best kind of security to issue for that purpose— . . . a security which . . . gives to the railroad the most useful instrument, not only for immediate . . . but [also] for long-time purposes, and . . . the public the greatest possible protection without tying up the railroad unduly and beyond what is safe for it.' So, he says: 'Will you tell us what is the best kind of instrument to use for that

purpose? Should it be a mortgage bond . . . a debenture . . . a convertible bond . . . preferred stock . . . an equity? We would like you to look into it and tell us. Here are our facts and figures. Go through them.' . . .

"And I might say that we have sometimes been stuck by not knowing what kind of securities would be most advantageous from all standpoints to issue. . . . We would know that in a short while from now other large security issues are likely to come upon the market. . . . We would know what is the general disposition of the security market, . . . favorable or . . . unfavorable. Is there an investment demand or isn't there an investment demand? And that situation varies. Sometimes we can sell nothing but equities. Sometimes equities are thrown into the discard and people want safety. Again, that is our job, to know. . . .

"Our only attractiveness is our good name and our reputation for sound advice and integrity. If that is gone our business is gone however attractive our show window might be."

Because of Kuhn, Loeb's reputation in the field, it has continued to attract railroads to this day. At the time Kahn joined the firm in 1897, it was deeply involved with the Union Pacific reorganization.

When the Republican party set forth its platform in 1860, it promised, through Lincoln, support for a railroad to the Pacific. Twelve million acres were granted to the Union Pacific, which was pushing to the west, and nine million acres to the Central Pacific, laying track from California toward the east. When the two lines met at Promontory Point, Utah, on May 10, 1869, the completed railroad was so burdened with debt that its shaky financial structure could not support the line. For twenty years it survived on the brink of disaster. Reorganization was obviously in order, but it was considered impossible in the economic chaos that followed the Panic of 1893.

Schiff considered the reorganization for four years, during which all the major banking houses of America refused to undertake what seemed a hopeless effort. In 1895, Kuhn, Loeb undertook the task. The Union Pacific became the main concern of the firm, a project that occupied most of the energies of the part-

ners for several years. The actual reorganization was directed by a committee of which Schiff was but one member. Kuhn, Loeb, as financial managers, carried the heaviest burden of responsibility.

At the time when Kahn joined it, the company had secured a triumph which Schiff himself, ordinarily a conservative man, described as unique in financial history. It had obtained pledges in three days to cover the $40,000,000 which would be required if the Union Pacific were to be bought under a government foreclosure. Kahn, who had been a partner less than two weeks, exulted over the coup and threw himself vigorously into the work.

The sale negotiations went forward through the spring and summer of 1897. Kahn, a novice at railroading, had memorized virtually every piece of correspondence and every step of the transaction. The main line of the Union Pacific was bought on November 2. Kahn had worked eleven months under Jacob Schiff, who influenced markedly the development of his character. In December he was to fall wholly under the spell of Edward Harriman, who became Kahn's personal mentor and was idolized by the young man.

Kahn had met Harriman in 1894, when the latter was serving as finance chairman of the Illinois Central Railroad. Harriman was born on Long Island, the son of a Protestant minister. He began in brokerage as a five-dollar-a-week office boy and was known for years as a "two-dollar broker." His first step in railroading was the purchase of controlling interest in a weak railroad, which he renovated and resold at a profit to the Pennsylvania.

Harriman was physically the most unprepossessing of men. His enemies sneered, called him "the little bookkeeper." He had always suffered poor health. He was small, frail, and retiring. He spoke in a low voice and wore thick-lensed, steel-rimmed glasses.

In a cogent essay on Harriman, Kahn characterized him as ineloquent and incapable of tact or diplomacy. No one ever heard Harriman tell a joke. He rarely smiled.

His genius, Kahn said, "was the genius of the conqueror, his dominion was based on rugged strength, iron will, irresistible determination, indomitable courage and . . . upon those qualities

of character which command men's trust and confidence. He was constitutionally unable either to cajole or to dissemble. He was stiff-necked to a fault. It would have saved him much opposition, many enemies, many misunderstandings, if he had possessed the gift of suavity. . . . I ventured to plead with him that the results he sought could just as surely be obtained by less combative, more gentle methods, while at the same time avoiding bad blood and ill feeling. Invariably his answer was:

" 'You may be right that these things could be so accomplished, but not by me. I can work only in my own way. I cannot make myself different, nor act in a way foreign to me. They will have to take me as I am or drop me. This is not arrogance on my part. I simply cannot achieve anything if I try to compromise with my nature and to follow the notions of others.' "

This was Harriman. He was elected to the board of the Union Pacific in December, 1897. The other board members, because they had all been previously affiliated with the line, regarded him as an intruder. Wall Street resented his abrupt manner and his high-handed rudeness. Kahn recalled that bankers considered him as not quite one of their class, since he was neither railroader nor banker.

His hopes for the worthless Union Pacific seemed positively ridiculous, for the line emerged from receivership "a rather pathetic object," Kahn said, stripped of its outlets and most important branches, dismembered during its financial disintegration, ending helplessly at the shore of the Great Salt Lake.

Within one year Harriman had turned the line toward success. He became the ruling spirit and the genius of the board, which by 1899 conceded leadership to him.

Immediately after he was elected chairman of the executive committee in 1898, he inspected the whole property, going over every mile of track, interviewing shippers and line officials, making notes on stations, warehouses, locomotives, engineers, cars. He requested his board to permit him to spend $25,000,000 for rolling stock, rails, and improvements, a vast sum for that time. After weeks of haggling, Harriman prevailed, although many members of the board expressed misgivings. Indeed many

men on Wall Street thought Harriman a plain fool. But twelve years after he took over, the Union Pacific boasted free, unencumbered assets with an aggregate value of $210,000,000.

Kahn saw Harriman almost every day for twelve years, for the two men—Kahn just thirty in 1897, and Harriman in late middle age—became intimate friends. Kahn found in the older man an insuperable courage, tenacity, and moral strength which represented the materialization of his youthful ideals. Harriman in turn leaned through the whole Union Pacific era on Kahn's agile mind and filing-card memory. Like Harriman, Kahn went over the lines himself, inspecting track and stock and recommending essential improvements. Standing on the steps of his private car in Denver, he would astound reporters and railroad experts with his command of railroad problems. At a time when the rich awakened the poor to fury, writers were gratified to observe that Kahn was "the most simply dressed man there."

When, on one of his railroad inspection trips, he asserted that more government control of business was needed, not less, he won their hearts whole and entire.

Back in New York, he would advise Harriman that a two-mile stretch of track overrun with weeds left a poor impression on travelers, that a weatherbeaten station along the line needed paint. Harriman knew that finally he had found his man. Eventually Harriman and Kahn rivaled even James J. Hill in their knowledge of railroad practices. Kahn learned lessons in railroad management which led Wall Street to consider him the equal of Harriman after the older man died. Also, Harriman came gradually to absorb Kahn's respect for public opinion—but only very gradually.

The year 1899, which saw Harriman's ascendancy as chief of the Union Pacific, brought also the first tremors in the Hill-Harriman battle, which culminated in the Northern Pacific Corner and Panic. The Oregon Short Line and the Oregon Railroad and Navigation Company, properties valuable for the unification of the Union Pacific system, were involved. Harriman acquired a firm hold on both in 1899. The following year found them struggling for the Burlington, which extended from Chi-

cago to the Rocky Mountains; although it was not until 1901 that open war between the two broke out. Harriman and Schiff decided that the Union Pacific was endangered by Hill's control of the Burlington and his proposed unification of the Great Northern and the Northern Pacfiic.

Unknown to Hill and J. P. Morgan, his banker, they began to buy into the Northern Pacific, in order to secure a voice in its affairs and, if possible, obtain direct representation on the Burlington board, while Hill, unsuspecting, toured the west and Morgan took the cure at Aix. Late in April, Hill, on the West Coast, noticed an unexpected rise in the price of Northern Pacific stock, of which he and Morgan owned less than half. Fearful of what the unexpected trading might mean, Hill (according to his biographer Stewart Holbrook) ordered his private car coupled to a locomotive in Seattle, cleared the tracks through to Chicago and bolted for New York. In the office of Kuhn, Loeb, on the morning of Friday, May 3, he learned from Schiff the truth: that the Union Pacific owned 40 percent of Hill's line.

Schiff told Hill that his only purpose in acquiring the stock was to bring about a community of interest and protect the Union Pacific. Hill reassured Schiff and in fact spent the evening until after midnight at Schiff's house, convincing Schiff that he would do everything possible to establish harmony.

What Hill did not tell Schiff was that between his calls at Kuhn, Loeb and at Schiff's town house, he had gone directly to Morgan's and conferred with the partners, who sent a cable at once to Morgan, advising him of the situation and asking permission to buy 150,000 shares of Northern Pacific common stock. Morgan cabled his approval.

Harriman, apprised of the situation, distrusted Hill, although Schiff, an honorable man, was inclined to accept him at his word. To reinforce his position, Harriman ordered Schiff's office to buy 40,000 additional shares of Northern Pacific common. But for some reason no action was taken on the order.

Bankers still speculate on why Harriman's order was ignored. The explanation most frequently put forth is that Schiff, a devout Jew, was in the synagogue and would not permit business to be

transacted on the Sabbath. Another view holds that Schiff prudently foresaw that cutthroat competitive buying would precipitate panic; and that he judiciously refused to buy, leaving Morgan and Hill to plunge ahead, smash the economy, and take the blame for the panic which would follow. Others believe that Schiff accepted Hill's peace pledge as a word of honor and did not believe that Hill would continue the struggle. If that was the case, Schiff was mistaken.

When the market opened in London and later in New York on Monday, May 6, the Morgan bank poured forth a flood of buying orders for Northern Pacific. On that day alone Hill acquired 127,500 shares of Northern Pacific common. The price jumped to 127½; on Tuesday it leaped to 149¾; on Wednesday to 180. Frantic buying skyrocketed the price Thursday to 1,000, an undreamed-of figure for the stock. By Tuesday night a "deplorable situation" had prevailed, Schiff wrote. Thursday brought panic, for the hundreds of shares which had been sold short could not be produced on demand. Other stocks crashed. Brokers were ruined, in spite of a Hill-Harriman pact which permitted the short-sellers to save themselves.

Although Schiff believed that other factors besides the Hill-Harriman fight had precipitated the panic, newspaper features headlined "The Battle of the Giants" and heaped vituperation upon the men and firms involved. When Morgan was asked whether he did not indeed owe the American people an explanation, he said contemptuously, "I owe the public nothing."

Although Kahn had remained at Harriman's side through the tumult, he respected the weight of public opinion too seriously not to be disturbed. Kahn believed that Harriman had, however, acted only to protect his interests. If anyone was moved by the lust for power, it was Hill. Kahn felt that Harriman's moves were simply a defense. No blame for the "corner" should attach to him.

Kahn further pointed out that Harriman did in fact hold the winning hand and that, content with a truce after the struggle, he even allowed Hill to pretend that he had emerged victorious. Harriman held a majority of the entire capital stock of the

Northern Pacific, counting common and preferred together, while Hill held a majority of common alone. Harriman's reported 420,000 shares of preferred and 370,000 shares of common gave him 790,000 shares, out of the total 1,550,000.

This fact, if true, would account for Hill's and Morgan's gesture in including the Union Pacific faction in the Northern Securities holding company, which they formed a few months after the Panic to protect Hill interests.

Kahn saw in the whole affair an example of the wisdom, foresight, and self-restraint of Harriman, who had not taken advantage of his majority capital stock holdings, and who, as was his habit, used no greater force than was necessary for the attainment of his objective.

Schiff's biographer Adler writes that no event in American financial history wrought such excitement and acrimonious differences of opinion as the contest over the Northern Pacific.

Kahn continued to work on railroads at Kuhn, Loeb over the next six years. As the Union Pacific prospered, so also did Kuhn, Loeb, and its young partner, Otto Kahn, who wrote:

"There is not a single line that comes close to equaling the record made by the Union Pacific; and it is the uniqueness of the Union Pacific's attainments, considering not only the financial results to the stockholders, but also the standard of efficiency, service to the public, physical condition, financial strength and resources, which measures the uniqueness of Mr. Harriman's genius."

Schiff wrote proudly to President Theodore Roosevelt:

"As to the Union Pacific, from the bankrupt concern it was in 1897—indebted to the government for some sixty millions, which no one appeared able to discharge until we set about to accomplish this—by capable and efficient management, it has become the great transcontinental highway, highly remunerative to its shareholders, notwithstanding the keen competition of its rivals, and has been placed in a physical condition which calls forth the praise and admiration of all who use it."

Most estimates of Kahn's rise in business suggest that his own personal fortune was built during the Harriman era. Certainly if

he was in moderate circumstances when he joined the firm in 1897 and yet could pay $500,000, outbidding Morgan for a Franz Hals in 1910, he must have amassed a substantial amount in that period. The answer can only be railroads, for they were Kahn's principal concern at that time.

The reading public of these years had not yet become aware of Kahn. A feature story in the New York *Evening Post* of November 1, 1901, recapitulated the Hill-Harriman history and reported the truce effected between the two by Schiff. Far down the column, under the subheading "Lieutenants," the *Post* writer observed that the details of the settlement which resulted in the creation of the Northern Securities Company were worked out by Mr. Perkins of J. P. Morgan and Otto H. Kahn for Kuhn, Loeb. Both were at that time considered young for the responsibilities they carried. The blunt aggressiveness of Harriman and Hill found no counterpart in Kahn's and Perkins's smooth tact. The writer called the two men the "unseen and unrecognized factors" in the truce and added that both had made a material contribution to the ultimate success of the scheme. Working night and day, they opened the way for the Schiff-Morgan-Hill-Harriman conferences. During the final week of negotiations the conferences continued after business hours in the uptown houses of the four men. One of the subordinates involved remarked wearily that he had not been out of his street clothes for three days.

It was a week that shook Wall Street. Hill, who had served as a billing clerk on the St. Paul levee, was reputed in 1901 to be worth $100,000,000—so much, his contemporaries said, that he lusted not after more money, but after power alone. Morgan, Schiff, and Harriman, sat down with Hill to form the Northern Securities Company, a corporation capitalized with the largest market value in the world, outranking both United States Steel (a corporate infant born the same year) and Standard Oil. Kahn, at Harriman's side, was marked by both factions as that clear-minded young man who "wanted to stay on good terms with everybody."

Kahn saw in the Interstate Commerce Commission's investiga-

tion of the Union Pacific in 1907, the work of Harriman's bitterest enemies (unnamed) who carefully plotted his destruction. Kahn called them The Harriman Extermination League at a Finance Forum dinner in 1911, claiming that they poisoned President Theodore Roosevelt's mind against Harriman through lies and the grossest misrepresentation. Roosevelt was gradually swayed away from his former friend. Finally he came to see in Harriman the embodiment of everything he loathed: "the archetype of a class whose exposure and destruction he looked upon as a solemn public duty."

Harriman's associates were warned that ruin lay ahead. "Get out while you can," they were advised. But Kahn and Kuhn, Loeb stood by. Lights burned in Kahn's office late at night, while the staff gathered answers to questions hurled by the government's commissioners.

The assault began in February, 1907. The Commission was fully armed, for Harriman, through the Union Pacific, had just acquired massive interests in many other companies, to such an extent that it seemed to the public and the government that he, on the very eve of the investigation, had tried to obtain a gigantic illegal monopoly of the railroad industry. Kahn later said that Harriman's action in piling up interest upon interest was his one serious mistake in his management of the Union Pacific, and almost proved to be his undoing.

When the investigation began, the commissioners were ready to crucify Harriman. The public, whipped to frenzy by advance notices of the case, stood by, avid for the crucifixion. Kahn recalled four years later that even ministers in the pulpit preached against Harriman, as hysteria inflamed the country.

"The legal machinery of the nation and of several states was set in motion to discover some breach of law, however technical, of which he might be held guilty and convicted. Fairness and charity were thrown to the winds. All the good work he had done counted as nothing. Anything said in defense or even explanation was contemptuously and indignantly brushed aside," Kahn wrote.

"Amid this terrifying din, this avalanche of vituperation, misrepresentation, threatening and assault, amid the desertion of

some friends, the lukewarmness of others, amid the simultaneous strain and stress of a financial panic [of 1907] . . . Mr. Harriman stood firm as a rock, calm, silent and dignified, his courage never daunted, his spirit never faltering, strong in his faith in himself . . . and his own conscience as to his motives and actions . . . and thus he rode out the storm."

Kahn was not alone in resenting the tenor of the investigation. Jacob Schiff wrote angrily to President Roosevelt on March 4, 1907:

". . . The purpose of the investigation appeared so evident, namely, to break down not only Mr. Harriman, but with him those who in one way or another have been associated with him . . . that I cannot but protest the methods which were employed in the endeavor to accomplish this."

The ordeal lasted one year. It was the great drama of Kahn's life; and Kahn found himself cast in a major role.

The Commission sat in several cities consecutively, laying the foundation for the examination of Harriman, which was finally launched in the United States Post Office Building in New York on the twenty-fifth of February, 1907. The inquiry began formally, but quickly became an extempore duel between Harriman and Commissioner Franklin Lane, who was later to become Secretary of the Interior. A Californian of Canadian descent, Lane had watched apprehensively the emergence of Hill and Lords Strathcona and Mountstephen in Canada. He considered it his manifest duty to destroy Harriman. His position on the Commission made it at least plausible for him to try to accomplish his self-conceived destiny.

Harriman answered some questions straightforwardly, but refused on some points. He carried his case ultimately to the United States Supreme Court, where his right to withhold answers was affirmed in a decision which reversed a lower court's conclusion in the Interstate Commerce Commission versus Harriman.

When Kahn was called, he was by no means a national figure. Because he sat at the lawyer's table during the inquiry, he had attracted some attention before he took the stand. As Harriman was cross-examined, Kahn doodled his characteristic circles and

squares, connected by parallel lines. Occasionally he volunteered information which aided Counsel or injected some objection which turned the direction of the inquiry. The New York *Herald* described him as "a short man, with a small but fierce upturned moustache, a modish dress, and an alertness of manner which was noticeable to everyone."

Kahn answered quickly all points involving the most intricate financial twists. Complicated questions "which were hardly understood by the lawyers themselves" drew immediate, direct answers from Kahn.

"Not only did he discuss hundreds of millions of dollars and hundreds of millions of shares of stock, with absolute indifference," wrote the *Herald,* "but he showed that although declaring himself to be merely a banker and in no sense a railroad man, he had a wonderful knowledge of railroad conditions and values. He described with a wealth of detail, illustrating a remarkable memory, all the intricacies of the reorganization of the Union Pacific Railway Company—only two years after he had entered the firm of Kuhn, Loeb and Company, when he was but twenty-nine years old—and talked familiarly of the Northern roads and the big systems that cross the country from north to south. To the lawyers and those who were hearing Mr. Kahn for the first time, this was all very amazing."

The *Herald* went on to note that the day did not mark Kahn's first triumph. "Mr. Kahn has a large share of the credit for achieving that which dozens of American financiers had tried in vain to accomplish before him: the placing of American securities on the Paris Bourse." The note refers to Kuhn, Loeb's coup in finding a niche for a fifty-million-dollar issue of Pennsylvania Railroad bonds.

Kahn had brisk, businesslike answers for most questions. "No," "Yes," "Undoubtedly," and "I believe so" appear in the transcript as frequently as "I don't remember exactly," "I am not certain about that," and "I don't remember the exact details." "The records would show that," he said, to examining counsel's exasperation. And, modestly, "I am not competent to express opinions on railroad questions," shortly after he had outlined to the last

dollar and penny the most intricate reorganization transactions.

When the investigators tried to trap and confuse him, Kahn mustered new reserves of poise to confound them. Observers noticed that in the face of his icy self-control the Commission members and attorneys registered perplexity, embarrassment, and anger. In Kahn they had found a witness whom they could neither bait nor prod nor enrage.

His circumspection surprised the Commission. But to the small circle of reporters who had observed Kahn in New York, it was nothing more than what one expected of him. The following interview, reprinted complete from the New York *Globe,* illustrates fairly clearly Kahn's method of handling importunates:

Reporter: "Mr. Kahn, it is reported that Judge Lovett is to be chairman of the Union Pacific and Southern Pacific boards and resign as president in favor of Mr. Kruttschnitt."

Kahn: "Interesting, if true."

Reporter: "Is the liquidation in the stock passing away?"

Kahn: "I don't know."

Reporter: "Doesn't the outlook appear to be a little brighter?"

Kahn: "I have never regarded it as gloomy."

Reporter: "Now that the tobacco trust is in a fair way to be reorganized, and as it is regarded as the most difficult of all to be dissolved, don't you think it will be comparatively easy for the steel trust to reconstruct its affairs?"

Kahn: "Respectfully referred to Judge Gary."

Kahn resumed dictating to his secretary.

Throughout interviews, Kahn smiled and nodded graciously to reporters, treating them with such deference that they rarely realized how he had tricked them until they reread their notes. "He was so gracious and smiled so winningly," one wrote, "that one could not possibly take offense."

His relations with the press demonstrated an ability which he also displayed in dealing with several Congressional committees between 1907 and 1933. He emerged from the Union Pacific inquiry a victor.

After the inquiry Harriman's star rose rapidly. Many of his former enemies rejoined the fold, admitting that he had been

wronged. Kahn describes the last year of Harriman's life as a triumph:

"He became the fashion, the hero of hundreds of newspaper and magazine articles, a popular, almost a romantic, figure. He was lionized, his name was a name to conjure with. . . . He would not have been human if he had not been gratified by the sweeping change of sentiment and opinion regarding him. But, in a way, the old war horse did not feel quite at ease as a spoiled and petted show animal."

Harriman confided to Kahn that the "pedestal business" hampered his freedom, made him self-conscious. "I feel as if I were wearing an evening dress suit and a 'dude's' high stiff collar all day long."

The two men were still almost inseparable. When Harriman became ill and too weak to leave his room, Kahn visited him at home. They ruminated on life, relived half-forgotten scenes, played out the mockery of planning for a future which Harriman obviously would not live to see. In the early summer of 1909, Harriman went abroad in a last desperate attempt to restore his health. He met Kahn in Munich. When he returned, Kahn greeted him in New York at the steamer. Seeing Harriman, Kahn averted his face from the dying man, saddened at the fact that Harriman's death appeared to be at hand. It came on September 9. Harriman was sixty-two, Kahn forty-two.

After Harriman's death Kahn's preoccupation with railroading continued. The following year, on his annual inspection trip, accompanied by L. F. Loree, president of the Delaware and Hudson, Mark Erdman, Henry Rogers Winthrop, and an old friend, Dr. Joseph Frankel, he covered five thousand miles. The party traveled in two private cars, the "Republic," which Theodore Roosevelt used, and the "Mayflower," which Kahn was to use on other trips. They stopped in Calgary, where they took a sight-seeing tour of the city, then continued to Denver and Vancouver.

In Denver, he expounded on a favorite theme: the establishment of better understanding between business and the public. It was a creed of which he was to become the first apostle in

Wall Street. Otto Kahn was indeed a pioneer in what was later to become the most enlightened policies of a new profession called public relations.

"The railroads must get out of politics," he stated. "They will have to establish more intimate relations with the people themselves. Railroad men appreciate this more than anybody in the country today. There is no need for strife between railroads and the people who use them. . . . The railroads have got to throw the politicians overboard and go straight to the plain people with reasonable requests."

This was welcome news, both in Denver and in the east, where the announcement was reprinted.

The party stayed in Vancouver, then went down the coast to Seattle, Portland, San Francisco, and Los Angeles; finally they stopped to view Grand Canyon and Yosemite Park. All along the line Kahn, who had been reelected to the Union Pacific board and executive committee in October, interviewed railroad executives, stationmasters, and track hands. Because he never condescended or patronized, the employees looked forward to his annual inspection trips. When he returned to New York he recommended improvements which increased the lines' prosperity.

Earlier in the year 1910, he wrote an essay on Harriman, which is remarkable for its objectivity and its English. He neither glossed over Harriman's faults nor ignored them. He introduced a grumpy, tenacious old bulldog, slight of frame but mighty in determination. Without making Harriman lovable, Kahn compelled the reader's respect and admiration for an unappealing man.

Harriman's widow thought the essay brilliant. "Your sketch of Mr. Harriman is quite wonderful, masterly, interesting and dramatic," she wrote Kahn from Arden in December of 1910. Several thousand readers shared her view. Kahn had had the piece printed at his own expense and bound into a pamphlet, which he sent out to railroad men, bankers, newspapers, libraries, and university professors. *Edward Henry Harriman* by Otto H. Kahn received enthusiastic reviews in both American and foreign newspapers.

The Rotterdam *Courant* reprinted long excerpts from the

essay and carried a column on its author, side by side with a long article on Harriman. From London came a request for additional copies. Japanese law students wrote from Tokyo for copies. *The New York Times* called it novel and authoritative, hailing its literary qualities.

Reviewers generously refrained from commenting on the one shortcoming of the article: its silence on Harriman's role in the Northern Pacific panic. Even twenty years later Kahn wrote to a friend: "As to the story of the Northern Pacific panic, I do not think it likely that I shall ever tell it for publication."

Railroads had caught Kahn's imagination in 1897. They remained the focus of his business interest until his death. By 1910 he was a member of the boards of directors and the executive committees of the Oregon-Washington Railroad and Navigation Company, the Oregon Short Line, the Southern Pacific, and the Union Pacific, which he had served since its reorganization. He undertook negotiations with the Pearson-Farquhar syndicate, involving $30,000,000 worth of securities and the control of five railroad systems making a transcontinental chain. The next year, 1911, he was given credit for winning a battle against George Gould for control of the Missouri Pacific.

Schiff had been involved with the Gould roads before, as early as 1884. Periods of friendly understanding followed by disagreement ensued. Harriman had served as a director of the Goulds' Denver & Rio Grande until 1905; George Gould was simultaneously on the Union Pacific board. Conflict was inevitable. The Gould family controlled almost eleven thousand miles of road, one of the three largest systems in the world in mileage. Its "crown jewel" was the Missouri Pacific, Jay Gould's most valuable holding. Outlets on the Gulf, controlled at a time when the entire business world awaited the opening of the Panama Canal, made it a center of attraction for every railroad faction. Even James J. Hill of the Northern Pacific looked covetously toward the Missouri Pacific, but he believed that a struggle for control would precipitate an upheaval more terrible than that for the Northern Pacific in 1901.

Kahn worked on Missouri Pacific financing in 1909, handling

a bond issue which was taken up quietly. Discord over management problems fostered rumors of a control war, which spread through the financial world in February, 1911. These were denied by Gould, who surrendered to Kuhn, Loeb and withdrew as president of the line. Gould called on Kahn at the Kuhn, Loeb offices on February 15; the next morning's newspaper carried news of the capitulation. The New York *Sun* financial reporter speculated on the fight which might have taken place: on one side Kuhn, Loeb, Rockefeller, the Russell Sage estate, the Deutsche Bank, the international and foreign banking houses, the Union Pacific, Standard Oil, National City Bank and Central Trust; opposing them, James J. Hill, George F. Baker, Lord Strathcona and Lord Mountstephen, the Bank of Montreal, English banking houses, Chase National Guaranty and Bankers Trust and possibly J. P. Morgan! The struggle for the Northern Pacific would have seemed a dogfight by comparison, the *Sun* observed.

In the *Journal of Commerce* of February 16, a short note recorded the fact that the man responsible for the success of the negotiations was Otto Kahn. "It is characteristic of this financier that he does not appear publicly in the deal," the item said, adding that the triumph was Kahn's third in a year. He had managed the Pearson clique and he also evolved a brilliant plan for the continuing development of the Harriman lines. Four weeks later the *Wall Street Journal* called him the most talked-of man in Wall Street. "The street never had but one opinion of his character, but it has recently changed its estimate of his ability. . . . Now it regards him as a financier of the first rank." The article continued with high praise for Kahn's frankness and his unwillingness to stoop to equivocation.

The public and Wall Street awakened simultaneously to the realization that this man knew more about railroad financing than any other of his age in America. Harriman was dead. Morgan was to die in 1913, Hill in 1916, and Schiff in 1920. Executives, investors, and writers began to seek Kahn's opinions on every subject relating to railroading.

In 1914 when Senator Newlands asked Judge Robert S. Lovett, chairman of the Union Pacific executive committee, to draft a

bill for the federal incorporation of railroads, Lovett sent his manuscript to Kahn for approval and correction. Magazines in England and America asked Kahn to write for them on railroads. His articles on "What American Railroads Need" and "Strangling the Railroads" were regarded as authoritative. President Daniel Willard of the Baltimore & Ohio sought Kahn's approval of his stand in a rates hearing. The Railway Executives' Advisory Committee, consisting of Bush of the Missouri Pacific, Loree of the Delaware and Hudson, Lovett of the Union Pacific, Rea of the Pennsylvania, and Willard of the Baltimore & Ohio, provided him with transcripts of all railroad legislation, précis of controversies, clippings of news, and manuscripts of speeches. Often he was better informed than they.

Even after court decrees (as in the separation of the Union and Southern Pacific) and Interstate Communications Commission rulings compelled him to retire from the boards of all companies except the Los Angeles and Salt Lake, Kahn and his partners continued to counsel privately railroad executives who had relied on Kuhn, Loeb for advice and help since 1877.

4

Kahn the Conciliator

In 1894, when the private banking house of Kuhn, Loeb & Company moved from the Mutual Life Insurance Building at 30 Nassau Street into new and larger offices at 27 Pine, the firm was directed by Jacob Schiff, its undisputed head, and Abraham Wolff, who had entered the firm together in 1875. Quick-witted Louis Heinsheimer, the firm's younger trading expert, was also a partner until his death in 1909. But he remained behind the scenes, standing restlessly before the stock ticker, shifting his weight from one foot to another as he watched the figures roll along on the tape. The three men were bound in close friendship, Schiff and Wolff having been partners for nearly twenty years, Heinsheimer having joined Kuhn, Loeb in the late 1870's and having risen through the ranks first as an office boy, subsequently as a clerk, and finally as a full partner.

These men were Otto Kahn's elders when he joined Kuhn, Loeb. His contemporaries were Felix Warburg, Mortimer Schiff, and Paul Warburg, all of whom were made partners between 1897 and 1903. Notwithstanding the expansion of the company, the character of Kuhn, Loeb remained unchanged. The firm was a small band of bankers whose bonds in business were strengthened by the bonds of blood and marriage. Between 1869 and 1911 the firm had no partners who were not related in some way either to Solomon Loeb or Abraham Wolff.

Investment banking, or as the British call it, merchant banking,

especially, was an intensely personal business. Each partner of a firm had certain accounts which were considered his own. But the very smallness of the offices, the very closeness of the partners' associations with each other, brought them and their clients together in intimate association. Their ties were, however, sometimes ruptured in the battle for power.

The general tone of intimacy was maintained in the very manner in which business was conducted. Virtually all transactions took place within the bankers' offices. It was the custom for the president or vice-president of a corporation to come in person to an investment banking house—in the early years of this century either to Morgan's or to Kuhn, Loeb, for these firms had no serious competition in the investment banking field—and ask the firm to become his company's bankers. After an agreement was concluded, an official of the corporation, either the president himself or a vice-president, visited his bankers' offices regularly, once or twice a week, to discuss financial matters. Thus the tenor of an investment banking firm suggested a close communion of friends working together to conclude transactions which would benefit banker and client alike.

At Kuhn, Loeb an atttiude of mutual good faith and trust prevailed between client and banker. The client accepted his banker's judgment in matters relating to investment and management. An investment banker, having underwritten a bond issue, might assign several million dollars' worth to one client, several million to another. The obligation to buy the bonds was accepted without question, for the client's trust was complete.

Within the bankers' offices there reigned an air of gentlemanly cameraderie and the refined elegance of clipped beards, waxed moustaches, boutonnieres, long morning coats, and striped trousers. But the gray suede glove concealed the iron fist, for these black-garbed dignitaries possessed tremendous power.

From the 1880's until 1929, the main business at Kuhn, Loeb was railroading, for even after industrials became big business, Schiff had only a few industrial clients. He had little interest in utilities. The firm, under his aegis, was engaged primarily

in the issue of nonspeculative railroad securities, bonds secured by liens on property and equipment.

Each partner played a given role. Jacob Schiff, as the elder and master partner, shaped policy. Felix Warburg directed the management of the office, which in 1897 had thirty-six employees. Mortimer Schiff and Otto Kahn handled railroad business, Kahn having inherited his clients from Harriman and from his father-in-law Abraham Wolff, in whose hands had lain the full responsibility for many railroad accounts.

Kuhn, Loeb's business grew, ultimately to include industrials and foreign issues. New quarters were sought. In 1903 the company built the twenty-two-story building which still stands at the corner of William and Pine Streets in New York, the building which was to house its enterprise until 1955. At first, Kuhn, Loeb occupied only the first floor of the new structure, but later the entire second floor was remodeled into four conference rooms, Jacob Schiff's private office and the big, oblong oak-paneled partners' room, where each partner sat at a big desk on the open floor. The room was thickly carpeted, elegant, still. Its walls were hung with paintings in heavy frames.

It was in this subdued, austere atmosphere that Otto Kahn worked for thirty-one years. During his lifetime the whole structure and nature, the purpose and the form of investment banking changed. He saw the day pass when the elder Morgan could ask the President of the United States to "send your man to my man" to "fix up" in private such matters as antitrust violations. He watched the conclave of financial giants give way before the regulatory devices of the Federal government and the power of the national Executive. They yielded gradually, in the beginning, as Theodore Roosevelt applied early pressure. Later they surrendered totally, after the collapse of 1929, when the Securities and Exchange Commission came into being. Kahn lived to see it all.

He, like the other partners, came to Kuhn, Loeb equipped with a modest amount of experience in business, a general knowledge of commercial and investment banking, and a general understanding of economics. There were, in 1897, no other require-

ments. The vast and complex web of statutes which today governs the business world had not yet been evolved. At the turn of the century, transactions were transparent in their simplicity. Agreements were between man and man, often concluded with a pledged word or the grasp of a hand. Honor was the seal. The circular or prospectus describing a given bond issue ran to four pages, at most. Today, prospectuses of seventy-five pages are not unusual. Many experts contribute to their text. Seven men are today required at Kuhn, Loeb to handle the work which was assigned in 1900 to one man. While the volume of business was handled by Jacob Schiff and his partners, return to the early partners was much larger. From 5 percent, the return dropped to 3 and more recently to 1, as competition became more intense and government regulation more stringent and complicated. The great fortunes of the Schiff and Kahn and Warburg families were built upon the large profits earned by a very small firm.

Kahn's annual European tour kept up Kuhn, Loeb's relations with the Rothschilds in London and Paris, with Baring's, Cassel and Fleming in London, Neuflize in Paris, the Deutsche Bank, and scores of other major European banks, including the branches of the Warburg firm, with which Kuhn, Loeb had maintained the closest ties since its founding.

Before the First World War, many American issues were financed abroad. The sales of these issues in Europe constituted a major part of Kuhn, Loeb's business. About one-third of Kahn's banking year was dedicated to strengthening the ties that made these sales possible. In 1906, he was successful, for example, in placing (together with the other younger partners), a Pennsylvania Railroad issue in Paris.

Kahn also assisted in major negotiations with Westinghouse, the Western Union Telegraph Company, American Telephone & Telegraph, and United States Rubber, although his prime concerns were American and foreign railroads and foreign contacts, such as those which led to the German and Austrian Treasury Bills issues of 1900 and 1912, respectively.

He was the first banker to bring out American Deposit Re-

ceipts, being virtually solely responsible for the Royal Dutch issue of 1916 and the Shell Transport and Trading issue of 1919. The first was an accomplishment of which he was justifiably proud. He sought out the millionaire C. S. Gulbenkian, by reputation an unapproachable man, and convinced him that Kuhn, Loeb could handle issues with which he was concerned. Only rarely in his personal correspondence did he refer to banking, but in 1916 he said of the Royal Dutch transaction: "I am very desirous to bring about this important connection." It in turn brought Kuhn, Loeb a large volume of associated business, such as the Shell Transport and Trading and the Netherlands Government transactions of a later date.

One of Kahn's greatest values to Kuhn, Loeb was his ability to muster material and ideas in orderly fashion and to present them articulately and tactfully in a way that often poured oil on troubled waters. It was said that after 1901, the year of the founding of the Northern Securities Company, Harriman relied on Kahn more than on any other member of the firm of Kuhn, Loeb. Some railroad officials, among whom was Loree of the Delaware and Hudson, would confer only with him.

His gift in persuasion made him the firm's master salesman. He made friends easily. From his intimates and casual associates, he drew many clients. His gift in diplomacy made him the firm's conciliator. His serene manner, personal charm, and imperturbable suavity were complemented by a reasonableness and a sure command of facts. Even his enemies admitted that his greatest virtue in business was his ability to see the legitimacy of opposing arguments, to find the most valid points for negotiation, to direct that negotiation, and to mold the tranquillity of compromise from the chaos of disagreement.

A method lay behind his skill. At the very beginning of a conference, he always granted his opponents a concession so generous that, as the talks progressed, they could deny him nothing without seeming unreasonable.

One Wall Street colleague recalls a quarrel between two railroad bondholders' committees at the United States Mortgage and Trust offices in 1920. At the end of more than thirty minutes of

angry fighting, Kahn entered the conference room, boutonniered, unruffled, and smiling, with his customary greeting.

"Gentlemen, good afternoon."

Soon the atmosphere of dissension began to change. Kahn, the conciliator, suggested first one concession, then another, fairly, without partisanship. He brought about harmony within an hour and emerged from the meeting with the draft of an agreement an accomplished fact.

This was Kahn in action. He was only rarely present when squabbling factions first met, preferring to make an entrance when hope of compromise seemed dim, then to compose the opposing groups into some semblance of amenability and finally to make peace. In a field where personal charm was a precious asset, Kahn was rich. He brought peace where everyone believed peace could not be won and came gradually to be known as a worker of miracles of compromise.

His reputation as a conciliator he more than earned in the difficult negotiations between the Pennsylvania and the Delaware and Hudson railroads in 1923. Before that year the major carrier lines serving both Chicago and New York were the New York Central and the Pennsylvania. The Baltimore & Ohio was a minor third, the Erie a poor fourth. Everyone in railroading cherished the dream of building a "fifth system" to Chicago. But with Loree of the Delaware and Hudson, the dream became an obsession.

Cautiously Loree began amassing stock in an attempt to obtain control of the Nickel Plate, the Wabash, the Western Maryland and the Lehigh Valley. His aim was to add their trackage to his own line, thus consolidating the "fifth system."

Loree was fiercely ambitious, unhappy, "a big man with a jerkwater road," he was called in Wall Street. It was rumored that there would soon begin between him and his rivals a control battle more devastating than either the Harriman-Hill fight for the Northern Pacific or the Missouri Pacific war of 1911. Those, however, had been between rival bankers, but Loree's action menaced Kuhn, Loeb as neither of the previous struggles had; for both Loree and the Pennsylvania were Kuhn, Loeb clients. It

was unthinkable that a major railroad war should ensue between two clients of the same banking house.

The role of peacemaker fell to Otto Kahn, who had successfully negotiated the seemingly insoluble Gould lines question. He conducted initial interviews separately with the rival presidents, Samuel Rea of the Pennsylvania and Loree of the Delaware and Hudson. Then, in a daring move he summoned both men to Kuhn, Loeb on a Saturday morning. The fact that the appointments were made for Saturday apprised the staff of the seriousness of the situation, for Kahn had by 1920 virtually given up his old habit of spending Saturday mornings in his office.

The two warring contingents were to arrive fifteen minutes apart. Kahn conducted Rea's party to one of the second floor conference rooms. Shortly, Loree arrived. Kahn welcomed him to the second room. (It was characteristic of Kahn's versatility that on that same Saturday morning he had Gatti-Casazza and a committee from the Metropolitan Opera seated in yet a third conference room, while an aspiring musician, who had come to plead with Kahn for a subsidy, waited in a fourth.)

Kuhn, Loeb had on various occasions held rival clients' conferences simultaneously. But the problem on those occasions had been that of concealing the presence of one faction from another. Kahn's strategy in the Rea-Loree negotiations was precisely the opposite. After preliminary discussions with both men, he informed each of the other's presence in an adjoining room. Examining first one proposal, then another, Kahn whittled away at one offer, then swelled the next with concession. He moved smoothly, unexcitedly, from one room to another, molding the peace. (While deliberations progressed on both sides, he interviewed Gatti and his cohorts, settled their problems and sent them on their way; then he turned to the musician, to whom he listened, then handed a check.)

After three hours, a solution was found. Kahn alone had found it, plumbing patiently one depth, then another, in the complex arguments of right and might. Loree agreed to give up his plans for a "fifth system." The Pennsylvania on its side agreed to purchase Loree's holdings at a sum so generous that not even the

bearded "old man of the D. & H." could cavil. Kahn had, by deliberate manipulation, averted a major railroad war and had moved Kuhn, Loeb from an unenviable position on the financial chessboard. Wall Street called the Loree-Rea compromise the greatest single achievement of Kahn's career, though he himself minimized all his coups in railroading.

PART III

The Maecenas

5

The Metropolitan Opera, I

In 1903, when Jacob Schiff was asked to become a member of the board of directors of the Metropolitan Opera Company, he declined and recommended that his thirty-six-year-old partner, Otto Kahn, be offered the post instead. According to Kahn's own account, he was eager to join the Metropolitan Opera organization when James Hazen Hyde, the youngest member of the board, asked him to, yet he was concerned over the effect such a move might have on his banking career.

"At that time I was on the threshold of my business career," Kahn recalled later. "There were more people then than now looking askance at art. They looked upon the joy of life and art as incongruous elements in the general harmony of the sphere of existence. I was warned by well-meaning friends that I had better not fool with operatic and theatrical matters; that I would lose standing among serious-minded people if I did so; that it was *infra dig* for a staid and reputable banker to have his name connected with an opera company; that my motives would be misunderstood and misinterpreted. Faced by these dismal forebodings, I consulted Harriman.

" 'You just go ahead with your art job, but don't dabble at it; make it one of your serious occupations. As long as you do not let it interfere with your other work, with your business duties and ambitions and thoughts, it will do you no harm. On the contrary, it will exercise your imagination and diversify your activities. It ought to make a better businessman out of you.' "

The history of the Metropolitan Opera Company during the years that followed demonstrated how seriously the young man took his older friend's advice. He immediately became one of the most active men at those early board meetings, ready with fresh ideas for enlarging the repertory, modernizing the theatre, and engaging new singers.

The function and structure of the Metropolitan Opera then was vastly different from that of today. The company was merely a tenant of the Opera House building, responsible for the stage productions and theatrical personnel, leasing the theatre from a shareholding corporation of boxholders called the Metropolitan Opera and Realty Company. The boxholders' board of directors let the theatre to an impresario, whose obligation it was to put on opera there.

In 1903, the horseshoe of Metropolitan Opera boxes was held by the elite of New York society. The little oblong brass plate on the box door was the royal standard of the era, proclaiming the presence of whatever boxholder was enthroned on the gilt and velvet chair beyond the narrow, locked, curtained door. It was impossible for anyone outside the hallowed circle, and especially for Jews, to be a boxholder. Many aspirants learned these hard facts through bitter experience. In one of Charles Dana Gibson's cartoons the defeated parvenue wrings her hands in despair for the shattered hopes of hundreds of strivers such as herself.

Yet for all the importance which attached to boxholding at the Metropolitan, the art of music actually occupied a very small corner in the lives of New York's social leaders. Caught up in a round of cotillions, weddings, balls, teas, tennis matches, dinners, and "at homes," the so-called "satiated society" had only a passing, Monday-night interest in Metropolitan Opera affairs.

An early impresario of the Metropolitan even confessed to a limited concern with music. "I have never discovered a voice in my life," he said. "I don't go around discovering operas. I am not musician enough for that. Opera is nothing but cold business to me."

But in 1903 a new German impresario, Heinrich Conried, arrived, chosen by a new corporation and a new board of di-

rectors, among them Hyde and Henry Morgenthau (holding three hundred shares of stock each), Otto Kahn (two hundred shares), George J. Gould, and Clarence Mackay (one hundred shares each) and ten other men.

Although the story of the founding of the Conried Metropolitan Opera Company was not set down at the time of its incorporation, contemporary accounts and reminiscences assign early leadership to Kahn, Conried, Morgenthau, and Hyde. When Hyde left to take up residence in Europe and Morgenthau withdrew, selling his shares in the company to Kahn, Kahn was said to have ruled the Metropolitan board virtually alone. His stock holdings increased gradually from 200 shares in 1903 to 2,750 in 1923. Eventually he virtually owned the company.

Kahn's technical knowledge of music, dating back to his childhood and his instruction in the playing of three instruments, gave him a marked advantage over others on the board.

"The only explanation of Kahn's motive in the Conried selection was that the latter's very ignorance of music might have given his sponsor a chance to superintend, direct and manage," a contemporary journal commented. "However, the new-made director was out for big game himself and . . . Conried set out to be the head of the Opera not only in name but in fact also." The same writer said that Kahn rushed Conried into the Metropolitan by persuading several busy board members to assign him their votes by proxy. Kahn, who often forced newspapers to correct misrepresentations in print, refused to comment on this statement.

The Metropolitan flourished under its new management. After some initial errors, Conried demonstrated remarkable executive ability. The details of production, which had been neglected by his predecessor in favor of the star system, were suddenly refined. The settings and costumes became parts of a harmonious stage picture.

The first opening night at the Metropolitan under Conried's direction was November 23, 1903. This was also the first opening since Otto Kahn had assumed his post on the Metropolitan board. Of even greater interest, perhaps, it was the first appearance in

America of a thirty-year-old Italian tenor named Enrico Caruso. The opera was *Rigoletto*.

Caruso made a generally favorable impression, winning critical acclaim for his pure voice, freedom of delivery, and musicianship. Some of the New York critics, however, deplored his uncovered tones, "pallid" fortes and "tiresome Italian vocal affectations." Henderson of the *Sun* dealt Conried an offhand slap, saying he was "truly a martyr to the Star system." One week later he called Caruso a "bourgeois" Cavaradossi and raised the perennial war cry for adequate rehearsals, protesting a series of minor stage mishaps. Conried's first season was not an unqualified success; nor were the reviewers struck by any awareness that a revolution had taken place on Thirty-ninth Street.

It was not until the end of December, when Conried staged splendidly the first performance of Wagner's *Parsifal* in America, that the critics and public awakened to the bold foresightedness of the Metropolitan's new impresario and board of directors. The *Parsifal* was called "without doubt the most perfect production ever made on the American lyric stage." Another brilliant success of the first season was the Metropolitan premiere of Donizetti's humorous *L'Elisir d'Amore,* which revealed Caruso's marvelous and unexpected comic gift. Otto Kahn was said to have proposed both the opera and the cast.

Conried might have enjoyed a long tenure at the Metropolitan. But he was assaulted on three sides at once: by unsavory publicity when a woman charged Caruso with molesting her in Central Park; by the inordinate success of Oscar Hammerstein's Manhattan Opera, five blocks away; and by ill health, which struck Conried down in 1907, the year Kahn was elected chairman of the board of the Metropolitan Opera.

Quietly Kahn began his search for a successor. He had heard opera in the European capitals on each of his annual tours. Over several years he had been particularly impressed with Gailhard, former director of the Paris *Opéra,* Anton Fuchs of Munich, and Giulio Gatti-Casazza, the man who had been appointed general manager of La Scala in Milan in 1898. Gatti was the candidate Kahn urged on his board.

In June, 1907, Gatti received indirectly a proposal from Kahn, although the directors had decided to say nothing publicly until the spring of 1908, out of consideration for Conried. When Gatti showed the letter to Arturo Toscanini, the distinguished conductor at La Scala, Toscanini urged him to accept Kahn's proposal. The conductor added that he would accompany Gatti to New York.

Gatti and Kahn met in Paris where the latter offered the Italian the title of General Manager. Gatti's acceptance speech, quoted in his autobiography, was almost a parody of nineteenth century gentility:

"Thank you, Mr. Kahn, for the faith you have shown in me. I am well aware that you are besieged and importuned by a large number of persons who aspire to Conried's place. I certainly will not importune you in any way, the more so since at the Scala in Milan I am very well situated in every respect. Nevertheless, if you and your colleagues believe that I am the person suited for the Metropolitan, please let me know, and in that event I hope that we shall be able to come to an agreement, I should wish that in that case an offer should also be made to Maestro Toscanini. . . ."

Kahn sent a firm offer to Gatti in January, 1908. His cable arrived at La Scala in the middle of the premiere of *Christophe Colombe,* at the moment onstage when Columbus sights America! Kahn wired that Gatti was to be the head of the institution with all authority possible. He also asked whether Toscanini would be able to get on with Mahler. Toscanini gave a characteristic answer. "The Metropolitan has room for several conductors. . . . Better a colleague like Mahler than some mediocrity."

Kahn was delighted at his coup. To get the general manager of La Scala and the first Italian conductor in the world for an opera house which had never before even had a musical director! Kahn sent Rawlins Cottenet of the Metropolitan board to Milan to conclude the contract. Gatti was shocked to read a provision that permitted either party to cancel the agreement at the end of each of the three years of its term. But Toscanini reassured them: "We are not men to be sent away after a one-year trial."

On February 12, 1908, Kahn announced that Gatti and Toscanini would arrive in the fall to replace the retiring Conried. Kahn vouched for Gatti's character and reputation, stressing the catholicity of his operatic taste and expressing the belief that he would stage both classical and modern repertoire and maintain higher standards than his predecessors. In an aside to a *Sun* reporter, Kahn praised Toscanini, citing his ability to conduct the entire *Ring des Nibelungen* from memory.

He also reassured subscribers who feared that the opera house would become a second *Théâtre des Italiens*. Gatti would select French and German operas as frequently as Italian, Kahn said. Andreas Dippel had been chosen to assist Gatti as administrative manager. The four men: Dippel, Gatti, Toscanini, and Mahler were to have full artistic liberty with no interference from the directors.

For the first time in Metropolitan history the entire management staff was to be on salary, Kahn announced. Unlike Conried and earlier Metropolitan impresarios, Gatti and his associates had no direct interest in the box office returns. Any losses would be absorbed by the board, which for the first time used the name Metropolitan Opera Company.

The New York *Sun* hailed the change as a revolution and Kahn as its spokesman. "A change from the old order to the new." "Power has passed from the older generation to the younger." Kahn saw in the Metropolitan an instrument of culture which could teach art to the American public and at the same time become the cynosure of every European eye—the "blue ribbon of the opera world," as he optimistically announced.

New Yorkers had no doubt that Kahn could realize his dream, although even after five years they wondered that a man with his varied responsibilities should concern himself with the thousand vexations of opera house management. They marveled at his imperturbable disposition. One observer noted that he countered even the most offensive questions with a courteous answer and a smile. "He is considerate and obliging and communicative to everyone . . . even to the most impudent and blundering young bunglers from Park Row."

Reporters loved him, for Kahn knew every working member of the New York press by name and greeted each of them cordially wherever they met.

During long scenes at the opera—King Mark's monologue in *Tristan und Isolde,* for example—Kahn would stroll into the press room at the Metropolitan, gather together any lounging reviewers, and take them to Forty-second Street, where he seated them in a box to enjoy a few acts of vaudeville or, in Minsky days, burlesque, before shepherding them back down Seventh Avenue for Isolde's *Liebestod.* His invitations were invariably mock formal, "Would any of you gentlemen perhaps care to accompany me for a few moments?" he would ask, as three or four of them, anticipating his question, pulled on their coats.

Kahn professed a dislike for publicity, yet he was in fact unblushingly addicted to it. He scanned the newspapers morning and night for mention of his name. The sight of his picture in the paper gave him more pleasure than the news that he had made several thousand dollars in a stock transaction. He began collecting clippings about himself in 1901, at the time of the Northern Securities Company organization. In 1918 he employed Ivy Lee and began binding his notices into expensive cloth and leather volumes of over one hundred pages each. Between 1901 and 1934 he accumulated twelve of these stuffed volumes; together they made up an encyclopedia of Kahn. "From the Press" was stamped in gold letters on the spine of each volume, together with the months and years spanned within. On the title page appeared only the tiny initials O. H. K., which became a kind of cabalistic symbol at the Metropolitan Opera and at Kuhn, Loeb. The scrapbooks reflect Kahn's intimate relations with the press, which he cajoled, rebuffed, and seduced for thirty years.

Gatti landed on the *Lusitania* on May 1, 1908, five months before he was to take the reins at the Metropolitan. Because it was Friday and Kahn had left for Morristown, the two men did not meet until the following day, when Gatti went to Kahn's Morristown villa. There he complained volubly about the defects of the Metropolitan. There were too many blind seats too close to the stage on both sides of the proscenium arch. The standees, hover-

ing over the shoulders of seated subscribers and breathing down their necks, constituted an unpleasant inconvenience. The stage was too short and too narrow. There was no modern equipment of any kind. There were no rehearsal rooms for singers, chorus, orchestra, or ballet. The scenery storehouses were too far from the theatre. The sets had to be left out on the sidewalks on Seventh Avenue, exposed to rain and snow. Even a complete remodeling would leave unsolved problems.

It was a sweeping indictment, one which was to be repeated verbatim by Edward Johnson, succeeding Gatti in 1935 and by Rudolf Bing, succeeding Johnson in 1950.

Kahn, who had inspected every great opera house in Europe, was fully aware of the inadequacy of the Metropolitan's physical plant, but he had judiciously refrained from mentioning it to Gatti while he was negotiating to get him here. He now adjured Gatti to have patience.

"You will be satisfied shortly," Kahn said. "In two or three years a new Metropolitan Opera House will be built."

Thus he gave voice officially for the first time to his most cherished hope. When he was elected chairman at the Metropolitan in 1907 he confided to a friend that the news of his election was the only event of his life he could proudly report to his mother in Mannheim. He added that his happiness would be complete on the day he gave the Metropolitan company a new opera house. His unsuccessful efforts toward that end occupied him continually for twenty-five years

At the Metropolitan he was half lord, half suppliant, curious, supple, and urbane, at ease with a score of temperaments, nationalities, and interests, so obsessed with ideals, hopes, dreams, and schemes that every visionary made perfect sense to him. He was the final court of appeal in every Metropolitan dispute. By 1908 his friends had already concluded that the initials O. H. in his name stood for "Opera House."

He spent so many hours at the Metropolitan that people who did not know him wondered when he found time for Kuhn, Loeb. No detail of Metropolitan matters escaped his attention. The archives at the Opera House and the Kahn collection at

Princeton University reveal that he corresponded daily with the business and general maangers of the Metropolitan and supplemented his correspondence with telephone calls and daily visits, often sending to the opera house three or four communications in one day by messenger from the Kuhn, Loeb offices.

Kahn answered complaints of all sorts:

"I was third in line at the box office when the tickets went on sale, but when I got to the window the ticket seller told me that everything was sold, " an angry patron wrote in German. Kahn translated the letter for Gatti, drafted a reply and forwarded it to the management.

When a subscriber arrived at the box office to find that an impostor had given his name and claimed his tickets, Kahn placated him with a pair of free orchestra seats.

A Jewish women's organization, writing for a pair of tickets to give away as first prize at a *tombola* (lotto or keeno game), received a courteous answer from Kahn, who sent their letter along to the Metropolitan. There two tickets were set aside to help the B'nai Jeshurun Sisterhood continue their work among the West Side Jewish poor.

Kahn taught Gatti the American social niceties. "Please invite Miss Iselin and her friend to the rehearsal of *La Wally,* he wrote on one occasion. And on a state visit: "President and Mrs. Taft will be at *Aida* on the 15th inst. in Box 35. Please decorate it with a flag and have a nice bouquet, I suggest orchids and lilies of the valley, placed in the box for Mrs. Taft, with the compliments of the Board of Directors."

He was alert to the menace of ticket scalpers, and as much concerned with legitimate agents who asked commissions as with sidewalk speculators, whose bold bilking infuriated him.

Gatti found in Kahn a man capable of relieving him of the most onerous chores of management, a man familiar with the Metropolitan, willing to offer advice if Gatti sought it, able to shoulder burdens and unsnarl the tangle of artists' relations. The intimate relationship of the two men is reflected in their letters, which are now in the archives of the Metropolitan Opera. "We" is the word used to refer to decisions influencing Metropolitan

policy. There was no area of Metropolitan affairs which Gatti did not entrust to Kahn.

The two men worked together in the choice of the repertory and singers. Each year, during Kahn's spring tour of Europe, singers were heard in performance and composers and conductors were interviewed. Kahn set down his recommendations and sent them back to Gatti. Gatti, in his turn, sent Kahn an annual letter summarizing the season and describing in detail the performances which Kahn had missed.

"I am very sensible at your satisfaction and approval, and these ever stimulate my zeal and my activity," Gatti wrote in his stilted English, in a letter to Kahn dated May 26, 1925.

Kahn's own letters and memoranda to Gatti attest to his concern for the details of running the theatre: How many performances in Brooklyn next season? May we revise the opera contest rules? Extend the contest deadline? How is the ailing child of the Broadway doorman? Why have the chimes for the temple scene not been sent to Philadelphia in the two previous *Parsifal* performances?

The smallest contemplated repair was submitted for Kahn's advice. A wider door on the Ladies' Parlor, lights in the vestibules, hooks on the lobby doors, a proposed electric sign on the Broadway facade, and the addition of a roof stage for rehearsals, to be built in 1909 near the Family Circle elevators on the Fortieth Street side of the Metropolitan all were O.K.'d with the initials "O.H.K." Those few who had expected Kahn to be a figurehead chairman were astonished at the extent of his activity.

Tariff hearings, duties on imported scenery, shipping charges, fees to costumers, contracts with singers, international currency exchange—everywhere in the little, spidery handwriting: "All right, go ahead. O.H.K."

Because he maintained a quiet reserve, never obtruding at the Metropolitan, only the inner circle of management and singers was aware of his influence. There is ample evidence that even his fellow board members remained generally ignorant of the scope of his activities. Observing him daily on Wall Street, they found it impossible to believe that he could allocate time for extra-

curricular enterprises. They were barely aware that he scheduled an eighteen-hour day seven days each week. When they learned finally to their astonishment that Kahn *was* the Metropolitan, they registered a variety of reactions, ranging from simple surprise through incredulous disbelief to great disapproval.

Kahn began pouring money into the Metropolitan Opera from the first weeks of Gatti's regime. The correspondence of 1909 contains letters which are typical of a pattern repeated over many years:

"I am enclosing two checks of $50,000 each from Mr. Vanderbilt and myself. . . ."

And one month later:

"I am enclosing two checks from myself and Mr. Vanderbilt for $25,000 each. . . ."

And one year later:

"I am enclosing my check for $45,375. . . ."

Kahn and Vanderbilt had bought out the old Conried company in equal shares. Initially they (and to a lesser degree, others among the directors) shared the burden of loss. But as Kahn bought the shares of first one stockholder and then another, he assumed a proportionate share of the financial responsibility. Ultimately, when he owned 84 percent of the stock, he carried the load alone.

In 1932 Kahn answered a young American composer who asked him directly how much he had sunk in the Metropolitan:

"For your personal and confidential information, I may say that my endeavors, in one way or another, to aid the cause of the Metropolitan Opera have cost me over $2,000,000."

This was confirmed by a Metropolitan Opera board member, whose estimate was $2,500,000 or $100,000 a year for twenty-five years. If one adds the $1,200,000 Kahn is reportd to have paid Oscar Hammerstein to dispose of the Manhattan Opera House competition which threatened the Metropolitan, and the $1,000,000 he lost trying to locate the Metropolitan in a new opera house, the total figure is almost $5,000,000, a princely contribution even for Otto Kahn.

He had poured over half of this amount into the Metropolitan

even before he was permitted to own a box there. One of Morgan's partners remarked that there was no anti-Semitism on Wall Street: anyone who could obtain Kuhn, Loeb's cooperation in a business transaction considered himself fortunate. But one's "downtown associates" were not always members of the "uptown circle"; both phrases were familiar Wall Street clichés. The uptown circle controlled the Metropolitan boxes. The patriarch Jacob Schiff, who had been an American citizen since 1870, was a mere lessee "of Box 18, for certain performances," the *Herald* cautiously stated.

When Kahn was finally offered Box 14 in 1917, the event was called "notable" by the discreet New York press, which observed that only twelve boxes had changed hands in eighteen years. That Kahn had obtained one was a triumph, nothing less. But anyone who expected him to flaunt his new position was doomed to be disappointed. He continued to sit in the Director's Box, in the modest chair into which he had slipped unobtrusively during almost every performance of the previous fifteen seasons. His own box was often lent to visiting European dignitaries and to college students.

Dippel had been pressed on the board by the boxholders of the Metropolitan Real Estate Company when the search for a new general manager was under way in 1907.

"Why must you go to Europe to find a manager? We have one right here," the boxholders' representatives told Kahn. To placate them, Kahn offered Dippel a position as administrative manager. Gatti immediately realized that Dippel represented the old, conservative attitude of past regimes. They were at odds from the first hour they worked together.

Dippel, who had sung almost every tenor role in the repertory at the Metropolitan, counted the singers on his side. Resenting Gatti's superior position and larger salary, he hampered the smooth operation of the Metropolitan in every way he could and organized a singers' cabal for massive resistance to Gatti. Five of the Metropolitan's stars aligned themselves with Dippel: Caruso,

Antonio Scotti, Emma Eames, Geraldine Farrar, and Marcella Sembrich.

Kahn and W. K. Vanderbilt issued a public statement on December 2, 1908, which delivered a body blow to Dippel and slaps on the wrist to the singers. But Kahn's letter containing the lethal punch is a masterpiece of diplomatic writing. Praising the singers' "splendid gifts" and "intelligent appreciation of the facts," Kahn urged cooperation under Gatti-Casazza, "the supreme executive head of the organization." He spoke of "good will," "high regard," "mutual forebearance," "patience and understanding," "wholehearted and harmonious cooperation," but the stamp of his firmness was there, hidden among the flowery eulogies. Gatti was the director. Singers should sing. Management was none of their affair.

Dippel retired to his office and sulked as he devised new ways to bedevil Gatti. Two years later he had not surrendered. Gatti wrote Kahn in desperation, asking him to appeal to Dippel in the name of common sense. Contracts which Dippel had negotiated with Frieda Hempel and Gustave Henschel brought matters to a head. Dippel regarded these as his own accomplishment and refused to permit Gatti even to see the originals, which he kept locked in his office.

Kahn secured Dippel's cooperation, but the former tenor's career as a gadfly was soon to end. He was notified that his services were no longer needed at the Metropolitan. Long after his dismissal, he continued to write Kahn, begging favors and requesting loans. Kahn characteristically could not find the words to refuse him. He obtained positions for Dippel and invested money in companies organized by Dippel, which eventually failed. Yet even after he had lost nearly fifty thousand dollars in Dippel's faltering theatrical enterprises, Kahn replied to his entreaties promptly and treated him with unfailing courtesy.

6

The New Theatre

GATTI AND KAHN were relieved of the burden of Andreas Dippel long before another weight was lifted from their backs. The New Theatre, which had been conceived in the mind of Heinrich Conried in Vienna in 1870, incorporated in 1906, built with funds supplied by several New York millionaires in 1907, and dedicated in 1908, one month after Gatti assumed the management of the Metropolitan, opened on November 8, 1909. Barely ten days later it was shaken by the first blast in a barrage of criticism which was to bring about its ignominious collapse two years later. Its history is unique in the annals of the American stage. It was a gold silk balloon, inflated with ideals and launched from a multimillion-dollar mooring, doomed to be consumed in a holocaust of inflamed public opinion.

The project had its genesis in a memorandum, which was found among the papers of Heinrich Conried after his death. Conried apparently conceived the plan in the early months of his tenure as impresario of the Metropolitan Opera. Evidently he believed that his board of directors, with their endless reserve of money, could make his dream a fact, and outlined a plan for a subsidized playhouse to enlighten and educate through art, a theatre similar to the *Comédie Française* and the Viennese Ring Theatre. He proposed a "dignified and handsome building," equipped with a "perfect" stage, sufficient costumes, scenery, and properties to permit the production of ten or fifteen standard plays on a repertory basis.

Conried called it the National Theatre, as he expounded his plan in university lectures. It was to be a model theatre, a *sanctum sanctorum* of the arts, its policies formulated by committees of professors, critics, painters, sculptors, and writers, authorities and specialists from every corner of the world, its direction in the hands of one man. Its ultimate aim was the improvement of American taste and the stimulation of American writers, whose works would be offered along with those of Ibsen, Sophocles, Calderoń, Molière, Shakespeare, Goethe, Schiller, Maeterlinck, and Hauptmann.

In an address to the American Dramatists' Club at Delmonico's in 1903, Conried presented the main outlines of his plan: repertory, subscription, and the abolishment of long runs. "The assurance is given me by a very wealthy man"—one wonders whether it was not indeed Kahn—"that as soon as the plan is devised it will receive the requisite financial support."

It was not the first time that a national repertory theatre had been proposed in the United States. The souvenir program of the New Theatre opening traces the movement back to 1891, to H. B. McDowell's Theatre of the Arts and Letters, then follows it through a brief repertory season sponsored by *Criterion Magazine* in 1897, and a National Theatre Art Society in 1904. In 1906, a theatre actually called the New Theatre was organized in Chicago, presenting plays by American and European authors. But it was Conried alone who repeatedly advanced the repertory-subscription concept among men who were willing and financially able to support such a scheme.

Members of the Metropolitan board were deeply impressed. Kahn, who had spent many evenings of his youth in Mannheim's famous National Theatre, memorizing the Schiller repertory, was especially interested. "Education of the public, actors and writers," "elevation of taste," "stimulation of American drama"—each was an objective of Kahn's own plan for the American theatre. Conried had found his Maecenas, after thirty years of dreaming.

The list of thirty founders of the New Theatre constitutes a roll of American millionaires: John Jacob Astor, August Bel-

mont, Otto Kahn, Clarence Mackay, R. B. Van Cortlandt, Cornelius Vanderbilt, H. P. Whitney, Henry Rogers Winthrop, Orme Wilson, George J. Gould, James Hazen Hyde, J. Pierpont Morgan, James Stillman, William K. Vanderbilt, George F. Baker, Henry C. Frick, Elbert H. Gary, Archer Huntington, and Ernest Iselin, among others. Every one of the founders was associated with the Metropolitan Opera. The original capitalization of $250,000 was provided by Kahn, Vanderbilt, Huntington, Belmont, and Mackay, each of whom contributed $50,000.

The site for the New Theatre was purchased on November 2, 1905, a block long, on Central Park West, between Sixty-second and Sixty-third Streets, extending 225 feet deep on Sixty-second and 200 feet deep on Sixty-third. No public announcement of the organization of the New Theatre was made at that time, but on May 14, 1906, the certificate of incorporation was filed in Albany.

It was the most ambitious venture in the history of the American stage up to that time. The New Theatre, according to its incorporation papers, would encourage and promote drama and music; cultivate, develop, and elevate public taste; own, equip, maintain, and operate a theatre; maintain theatrical and musical libraries and collections; establish schools for instruction in dramatic and musical arts; employ actors, singers, and other performers; own all of the scenery, costumes, and properties; establish an endowment fund; and maintain pension funds for the theatre personnel.

Elected officers were Charles Barney, president; James Henry Smith, vice-president; Otto Kahn, treasurer; and Henry Rogers Winthrop, secretary. The eight-man executive committee, which included Vanderbilt, Mackay, and Winthrop, was directed by the chairman, Otto Kahn. Curiously, Conried was not identified as the originator of the plan, although virtually every detail of the New Theatre organization had been suggested by him. A report of November 4, 1905, gave credit to Walter Damrosch instead.

An architectural competition was opened on March 28, 1906, heralded by a sumptuous, leather-bound volume in red and gold with silk endpapers. Among the nine competing firms, Delano and Aldrich, Carrère and Hastings, and Warren and Wetmore

appeared to have an advantage over the lesser-known architects.

The prospectus read as though it were an account of an impresario's dream: a large revolving stage and pit, scenery storerooms, property rooms, forty dressing rooms on the first two stories, four chorus rooms, two supers' rooms, a 1,600-square-foot ballet practice room, three large rehearsal halls totaling 3,500 square feet, a green room, accommodation for eighty musicians and their instruments, five rooms for conductors and stage managers, a carpentry shop, paint rooms, stage hands' and janitors' quarters, a separate room for scrubwomen, a library with street access, two grand staircases and a foyer, smoking rooms, retiring rooms, three carriage entrances, a restaurant and a grille, confectioner's and florist's shops, a palm garden on the roof, a suite for the founders and another for the general manager, offices for clerks, bookkeepers, stenographers, and press agents, and finally housing for full-scale schools of dramatic and musical art.

Kahn, serving on the building committee and the committee of architectural judges, influenced both the style of the building, which resembles the Paris *Opéra* and La Scala in many ways, and the choice of architects. Carrère and Hastings, who had designed the House of Representatives offices in Washington, were finally selected. Ground was broken in 1906 for the building, the cost of which was expected to reach $3,000,000.

But the project was plagued from its very first hour with both small annoyances and major calamities. Initial excavation at the site laid bare a large, tilted shelf of rock split by a ravine forty-five feet deep. Two electric pumps had to be installed to take off the constant seepage of water. Digging down, the engineers failed to reach bedrock in one large area of the plot. Finally, the foundations were laid half on blasted rock, half on sand.

In 1907 the second panic in six years rocked the American economy. In the ensuing depression the Knickerbocker Trust Company failed. Its president, Charles Barney, who was also the president of the New Theatre Corporation, shot himself on October 22, 1907, W. K. Vanderbilt was promptly elected to fill his place at the New Theatre. Work, which had been stopped in September because of difficulties arising over the plans, went on.

But for the superstitious theatrical world, the project, which had encountered disaster after disaster, was already damned.

In March, 1908, Harley Granville-Barker was called in. He had known Kahn in England and remained a close friend for many years. The two men had discussed repertory theatres before the New Theatre plan had been proposed. His advice was considered invaluable. After some study, he concluded that the theatre was too large for the dramas and light operas the founders expected to give.

A "considerable discussion" followed, according to Thomas Hastings, who then began to modify the plans to diminish the size of the house as much as possible on the foundation which had already been built. The finished theatre was a *mélange* of the best features of all the great continental theatres. Because it was in no sense a commercial venture, no expense was spared to make it the most elegant and lavish and beautiful theatre in America. Sixteen hundred seats, which had side pockets to hold programs and opera glasses, were embroidered with a motif representing the masks of tragedy and comedy. The remaining seats were molded wood, free of cracks, splinter-proof, and guaranteed never to split or warp. Every seat in the theatre commanded a full view of the stage. The fireproofing system was the finest in the world. The stage lighting system was so complex that professional electricians had to be especially trained to operate it. The glittering chandeliers, the thick carpets, the ornate marble and gold interior made the New Theatre the positive apex and acme of theatre structures.

During the construction, Kahn visited the site regularly. He had the same paternal pride in the enterprise that he felt for the Metropolitan.

On July 29, 1908, a managerial staff was selected: the director was to be Winthrop Ames, the business manager Lee Schubert, and the literary manager John Corbin. The New Theatre was to be opened in November of the following year, 1909.

The cornerstone-laying ceremony attracted virtually every man in New York City whose assets could be figured in millions. Governor Hughes of New York presided. At his right stood

Elihu Root. At his left J. P. Morgan surveyed the distinguished audience. Kahn, Belmont, Frick, and others of the founding group were seated farther along the stage. Kahn later called the ceremony impressive and auspicious. Enthusiasm for the project ran high, at least among its inaugurators.

Hughes observed in his address that it was "not intended to be for the entertainment of the few. Its purpose is not to provide exclusive privileges. This should be regarded as the people's theatre."

Winthrop Ames assembled a theatrical company of American actors and actresses, headed by E. H. Sothern and Julia Marlowe. Grace George was to appear as "guest artist" and four English performers were added to the original group.

But the misadventures which had attended the building continued. Ten months before opening night the New Theatre was attacked fiercely by the Broadway producer Erlanger, who called it "a hobby for millionaires." There would be so many fortunes in diamonds on the women that the Green Room would have to be staffed with guards, he added. This was the first of the anti-snob attacks. In a depression year, such a remark could engender only anger among the unprivileged.

During the first week of rehearsals a major flaw in the structure became apparent. Its acoustics were the worst in New York. "The house was one resounding echo," a man reported who attended almost every opening night during that first season. He added that the building itself was overwhelming. "Too palatial, with all that marble. It was something built only for royalty. Common people, for whom it had supposedly been built, looked at those white stairs and trembled with fear."

Before the opening night, Thomas Hastings and his wife Helen invited Mrs. August Belmont, who had been internationally famous as the actress Eleanor Robson, to inspect the building. Mrs. Belmont, in her autobiographical volume *The Fabric of Memory,* recalls that she thought the theatre rather too large, but found it beautiful. The stage was a "dream of technical equipment."

The first season's dramatic offerings were *The School for*

Scandal, Twelfth Night, Sister Beatrice, Brand, A Winter's Tale, Galsworthy's *Strife,* Edward Sheldon's *The Nigger,* and some minor plays. The Metropolitan Opera, which hoped to use the New Theatre as a sort of *Opéra Comique* for small-scale operas, staged *The Bartered Bride, The Barber of Seville, Werther, Czar und Zimmerman, Manon, Cavalleria Rusticana, Il Maestro di Capella, La Fille de Madame Angot, Don Pasquale, Fra Diavolo, L'Attaque du Moulin, La Bohème, Tosca,* and *La Sonnambula.*

A clash between E. H. Sothern and the director, Winthrop Ames, was rumored ten days after the opening night. When Ames announced that Sothern and Marlowe would leave at the end of the season (which was then less than two weeks old), he unwittingly turned the New York theatrical world against the New Theatre. November 26, in the third week of the season, brought a blast from Henry Miller, interviewed in the New York *Globe:*

"You can't uplift the theatre in a gilded incubator. A lot of rich men sell boots in the daytime, and at night the have nothing to do, so they say 'we'll show people how to run a theatre.' They dedicate their dining-room ceilings to the drama and believe this gives them the right to pose as sponsors of the arts in this country. The New Theatre is un-American and it started with the wrong point of view. Rich people never made the drama anywhere. It had its birth in the hearts of the poor."

Ames, too, fell victim to the unfair attack:

"The hired man whom these sponsors for our drama put in charge of the New Theatre advanced as his qualification the fact that he was on a social equality with the elect of New York. . . ."

Thus the venture was identified from the very month of its opening with the wielders of power whom Theodore Roosevelt had denounced and exposed as the "malefactors of great wealth." David Belasco and William Lyon Phelps leaped to its defense, as the founders maintained silence; but not even these patriarchs could turn back the tide of public opinion.

Actors arriving from abroad thundered against the "millionaires' toy" in shipboard interviews, admitting only in the last

sentence that they had never even seen it. English actors attacked it as too vulgar and Americanized while Americans unjustifiably charged the management with engaging only foreigners. But every criticism either began or ended with the word "millionaires." The frenzy of attack reached such a pitch that one editor devoted his editorial column to censure of those who thought that "knocking the New Theatre" was the easiest way of advertising themselves. Ethel Barrymore, Charles Frohman, Charles Walcott, and Laurence Irving joined the ranks of angry critics ranged against it.

When the founders of this American national theatre presented a gold medal to the English actress Ellen Terry, Blanche Bates exploded:

"The New Theatre ought to have been lost before it was found, for it is the most un-American institution in America. It insults the American public with a consistency and a finality that are stupendous. . . . It all goes to show that money can buy everything but brains. It can build a theatre that is a cross between a Turkish bath and a mausoleum. It can install lights that nobody knows how to use. It can furnish everything but the genius to direct it. . . . This is the highest art in America? Me for the moving picture show!"

Even *Harper's Weekly* proclaimed that "a subsidized theatre should not be conducted as an annex to the trade of a shopkeeper." It condemned Ames as a "small potato" and an "inefficient, inexperienced novice."

"What are they doing with their millions?" cried Sarah Bernhardt in exasperation.

"The New Theatre is only a magnificent building, which was not needed," the *Tribune* announced, while words such as "protest," "despair," and "insincerity" appeared in the editorial columns of other papers.

In an attempt to redeem their reputations, the board evolved a plan to democratize the institution by throwing the theatre open to underprivileged New Yorkers at prices ranging from ten to fifty cents a seat. Cooperating with the Society for the Improvement of the Poor, the Rand School, the Women's Socialist

Organization, the Women's Trade Union League, and the Jewish Women's Trade Union, seats were sold at ticket agencies set up in slum areas. The response was gratifying. Men and women earning as little as six dollars a week sat in boxes which formerly had cost forty dollars a night. The first play offered in the series was Maeterlinck's *Blue Bird,* which had opened the second (and last) season. The response was overwhelming. Over forty thousand applications for tickets were received, but reform had come too late.

At the Founders' Annual Dinner at the Waldorf-Astoria on December 21, 1910, Judge Gary regretfully admitted failure:

"Commodious and beautiful though it is, the building is not in some respects perfectly adapted to its present uses."

The founders concluded that they would have to abandon their marble and gold temple and look for smaller quarters to save their repertory movement from foundering completely. In March, 1911, they announced that they had leased their white elephant to a theatrical producer and had selected a site for a new building: a plot running from Forty-fourth to Forty-fifth Streets directly behind the Astor Hotel. Otto Kahn devised several plans for financing a theatre building there, but even though he was willing to put forth $50,000, he was unable to persuade enough other backers to invest in it. Sorrowfully he announced that the New Theatre plan had been abandoned.

An obituary editorial in the New York *Herald* philosophically recorded its passing. It reproved the founders for thinking that a "pile of bricks and mortar" made a theatre. Mere money cannot create drama, the editor said. In the many recapitulations of its failure, writers raking over the ruins attributed the disaster to its location, its acoustics, its repertory, and its casts; but no one recorded then that the New Theatre fell in the wake of a social upheaval. It was as surely a victim of progressive reform as the Northern Securities Company.

Fifty years' perspective illuminates the collapse for modern eyes. But in his own era only Otto Kahn, among all the men involved, was democratic enough to perceive the real reasons for its failure.

Ruefully he admitted that every project conceived by the rich for the rich was doomed to die of anemia; the support of the people was the lifeblood it lacked.

"We, the parents of the New Theatre," he said, "had brought forth an idea. To live and grow it needed air, plain fare and an avoidance of pampering. We enclosed it in a gorgeous abode . . . ; we stifled it with heavy, golden raiment; we fed it on a diet seasoned with 'society' ingredients. We were conscious, and let the public be conscious, of its 'high-toned' pedigree."

To understand how modern Kahn was and how advanced his thinking, one must consider that he held these opinions at a time when only a few scattered settlement workers in large cities were more than vaguely aware of the gulf between the rich and the poor. Hull House in Chicago had been open only twenty years. Many members of the fashionable, rich circle of American society preferred to ignore the whole problem of poverty. Kahn was no less courageous than wise. To urge democratic support of anything in his circle in 1910 was to preach a radical creed. Two of America's richest men had set the temper of the times, one crying: "The public be damned," the other: "I owe the public nothing." The New Theatre collapsed shortly before Morgan uttered the last of these dicta before the Pujo committee. Kahn was ten—if not indeed forty—years ahead of his contemporaries, as he preached in his quiet way that a new era had dawned for art and, as he said, "Third Avenue is more important than Fifth."

In an address in 1914, he declared that the visitor who pays twenty-five cents for a gallery seat at the Century opera and brings a love and enthusiasm for art with him to the theatre is richer than the man from Fifth Avenue who sits yawning in his box at the Metropolitan; that the man stirred by reading a good book in the humblest room is richer than the millionaire gazing dully at the fine leather bindings in his private library; that the couple blessed with an awareness of beauty is happier walking on Riverside Drive than the couple "chasing through the glories of

France and Italy in an automobile, the man thinking of the Stock Exchange, the woman thinking of her new dress and next party." Expressions like these earned for Otto Kahn the reputation of being "the most liberal and democratic multimillionaire in this country."

7

The Metropolitan Opera, II

WHEN the New Theatre closed, Gatti could scarcely conceal his satisfaction. He had opposed the whole concept from the day he assumed the manager's post at the Metropolitan. He was apparently not aware that Kahn at one time contemplated using the New Theatre as a new Metropolitan Opera House.

Although the failure of the New Theatre disappointed Kahn bitterly, he remained enthroned as the lord mayor of the Metropolitan. Shortly after Gatti's arrival, Kahn reinforced his Opera House reputation as a social democrat by sponsoring a Metropolitan employees' baseball team, which accountant Aimé Gerber proposed. Kahn insisted that the players have the finest uniforms and equipment that could be bought. He gave the team a blank check to cover every imaginable expense, then investigated every purchase, to be sure that the best uniforms, bats, and balls available were acquired. The Metropolitan's jerseys bore the letters "MOH," but one observer commented wryly that they should have read "OHK."

When the Boston Opera House team challenged the Metropolitan in 1909, Kahn sent the Metropolitan team to Boston by the overnight steamer *Harvard,* engaging luxurious quarters for them so they would be in good form for the game. The two teams played at the Boston Ball Park, where the Metropolitan suffered ignominious defeat.

When it was discovered that the Boston Opera team had used a professional pitcher, Kahn was furious. He insisted on a return

match, to be played at the Polo Grounds, but advised the libretto publisher, Fred Rullman, to hire a battery from the New York Giants to play with the Metropolitan. When the two professionals, Ames and Fisher, kept Boston from getting to first base, the Metropolitans' revenge was complete. To placate the losers, Kahn gave a banquet for both teams in the Opera House restaurant, then took them on an all-day excursion to Coney Island.

Kahn endeared himself to singers as completely as to the staff. Sympathetic and lacking in arrogance, he became the confidante of Metropolitan artists who found Gatti unapproachable.

In his gray gloves, gray spats, opera cape, silver-headed cane, silk hat, and patent leather pumps, he sometimes joined Caruso's Italian clique for poker and *scopa* in Neapolitan restaurant-clubs in the slums of Mulberry Street. Kahn played badly—one of the players remembers him as "an idiot at cards"—and Caruso's sharp cronies whipped several thousand dollars out of him over the years. Yet he never stopped playing.

The boisterous musicians, claquers, journalists, and hangers-on who made up Caruso's circle stood at the furthest end of the sartorial scale from Kahn and his morning-suited banking associates in their cutaways and gray striped trousers. But Kahn was a chameleon in disposition if not in clothing. He cloaked his buoyant self in the wraps of respectability at his firm during the day. When he joined Caruso in Little Italy at night he threw off a mask with his cape and hat. The coarse suppers, heavy with garlic, olive oil, and tomatoes, the bawdy Italian stories, the childish practical jokes, the crooked black cigars and the raw red wine exhilarated him. They were a breath of the South, a shaft of Mediterranean light in the New York winters. He fell into the easy pattern of Neapolitan ways for these few hours after midnight without a trace of condescension. "He belonged right there," a member of the *scopa* circle says. "We never doubted that he was happier with us than anywhere else." His greatest personal attribute was that he made everyone feel that way.

Among all the artists at the Metropolitan, he felt the greatest esteem for Caruso. "Your voice was always by far the most beautiful organ I ever heard," he wrote the tenor after *Marta*. "Your

art was always great. But the combination of your God-given voice, . . . together with the maturity and perfection to which your art has grown, is beyond praise. And to sing as you do, with the same artistic perfection, heroic parts and lyric parts, is a most astounding artistic feat. Please do not trouble to acknowledge this letter," he added. "It is simply meant as a spontaneous tribute of admiration and gratitude, which is not new to you, but which—under the inspiration of your last few performances—I could not refrain from tendering you once more."

Caruso returned Kahn's affection with childlike devotion. He was a frequent dinner guest at Kahn's Fifth Avenue mansion, where the tenor trustingly sought the opinion of *"Il Signor Kahn"* on world affairs. Out of his hearing, Caruso called him *"Il grande Signore"* or more simply *"Il Ottokahn,"* as if the name were a princely title.

Kahn protected Caruso to some extent from the flock of buzzards who preyed constantly on him. When a friend of Caruso's evolved a scheme for selling throat lozenges and Salsomaggiore inhalations under the tenor's name, Kahn investigated the projects, invested in the more feasible of the two and counseled against the one which was certain to fail.

To enforce more tightly the bonds of friendship with Caruso and his circle, he undertook lessons in Italian conversation shortly after he became Chairman at the Metropolitan. He studied assiduously for several years, at one time under Bruno Zirato, who was Caruso's secretary. Zirato would meet Kahn in the great stair hall of the Kahn house. The two men would then ride downtown together in Kahn's limousine, practicing sentences as the chauffeur threaded his way through New York traffic. When the car drew up at the Kuhn, Loeb office, the lesson was over. The banker melted into the banking world, as Zirato returned uptown to Caruso's apartment at the Astor.

Kahn felt that no one could replace Caruso in state occasions at the Metropolitan. In March, 1918, the tenor had just completed a concert in Ann Arbor, but a telegram from Kahn sent him hurrying to New York to sing "The Star-Spangled Banner" at the Opera House on the evening Wilson was to deliver his League

of Nations address there. The tenor's train reached New York at 7:45, just twenty-five minutes before he was scheduled to step onstage at the Metropolitan. He emerged from his car in evening clothes, prepared to sing. Kahn was grateful for Caruso's gesture, but more grateful for the man who made it. Praising Caruso, Kahn extolled "a gentleman," rather than a voice: "Your boundless generosity, your modesty, your kindliness and simplicity, your unfailing consideration for others." Kahn often wrote encomiums, but never to anyone else were they so warm or so full of fraternal affection.

When the great tenor fell ill in 1920 Kahn was a daily caller at the Vanderbilt. A touching note in Caruso's poignant English records his gratitude for his friend's concern. "Many many thanks for calling today, and for your kind words of sympathy, that as usual come dear to my heart. Thanks God it was nothing to be alarmed. . . . Wishing you all the best of this world, with kindest regard I am, Cordially yours, Enrico Caruso."

Kahn frequently handled contract negotiations with Metropolitan musicians and staff. Because he recognized that true art has no price, he sometimes left the fee figure blank on the contracts he offered. He knew his artists and was rarely cheated. When he called on Caruso at his hotel to renew the tenor's contract in 1919, he was prepared to pay $4,000 for each performance.

"You put down what you think is a reasonable increase," Kahn said, handing Caruso the contract.

"I don't think there is a singer in the world who can give in one performance more than $2,500 worth of singing," Caruso answered. "Leave matters as they are, but instead of giving me one first-class cabin from Italy to America and back, put down 'cabin de luxe.' "

Gatti even entrusted Toscanini to Kahn. "By this time you know this great but peculiar man as well as I do," Gatti-Casazza wrote Kahn during the frantic negotiations to keep Toscanini at the Metropolitan in 1914. But it was a task that not even Kahn could accomplish.

Following his counsel, many singers who might otherwise have fallen into oblivion made successful careers. He handled the in-

vestments of several artists, into whose accounts he sometimes slipped one or two thousands of his own funds as a personal gift after particularly brilliant performances. Several of the most famous artists of his time owed their huge fortunes to his management of their financial affairs.

He was unendingly tolerant of musicians and sympathetic to their projects. In 1911, when he was compelled to reject Walter Damrosch's offer to succeed Gatti as General Manager, Kahn salved Damrosch's injured pride by offering to finance his opera *The Dove of Peace*. A gift from Kahn of $14,000 made the production of the Damrosch opera possible. Similarly he invested (and lost) an even larger sum in Andreas Dippel's *Opéra Comique* in 1916, when Dippel in bankruptcy redeemed Kahn's three hundred shares in the company at five cents on the dollar. Kahn originally supported the company out of pity for Dippel. The incident was commemorated in a contemporary jingle:

> "Some millionaires get warm beneath their collars
> When asked to pay assessments of ten dollars;
> They are not everywhere so keen as
> Our Otto Kahn to play the real Maecenas."

His acts of kindness were by no means extended only to the leading performers of the company. When a box office employee lost his entire life savings in stock speculation, Kahn arranged through a broker to buy every share the man held at face value. The employee never learned the identity of his benefactor. When a dilatory doorman was fired by the house manager, he appealed to Otto Kahn, who discovered that the man had suffered a tragic personal loss and insisted on having him reinstated. An aging soprano, whose large bulk and wrinkled face overshadowed the great beauty of her voice, was dismissed by Gatti. Kahn, learning of her plight, compelled Gatti to reengage her. He admonished Gatti that the Metropolitan must maintain courtesy and kindness at as high a level as art in order to remain in the first rank of the world's opera theatres.

The Austrian soprano Melanie Kurt, trapped between two worlds in the war, turned to Otto Kahn. Unable to sing in the United States because she was German, prevented from returning to Austria by restrictions on enemy aliens, Kurt had exhausted her funds in two years. Gatti refused her a living allowance, but Kahn sent her a generous check together with his thanks for the joy her art had given him.

"Sometimes I don't know whether to smile or get angry at the messages, requests and appeals which come to me in such bewildering numbers," he once said wearily. One of his favorite anecdotes concerned a man he knew only slightly, who telephoned him to urge upon the Metropolitan a "second Caruso," handsome, marvelously gifted, an expert musician. Kahn consented to hear the prodigy, and agreed that Gatti, too, would attend the audition. Fifteen minutes after the first call, the same man called back.

"I have to confess," he babbled. "The tenor is ugly; and his voice doesn't sound very great to me."

"Why on earth did you tell me he was so handsome and say he was a second Caruso?" Kahn asked exasperatedly.

"Well, his father, one of my best clients, was sitting right here as I telephoned you. What else could I say?"

Although Kahn kept in the background of Metropolitan affairs where the public was concerned, he influenced both roster and repertory to a very large extent. His annual excursions to Europe were merely a continuation of the search for talent which he carried on unremittingly at home. During the twenty-six years he was Chairman and President at the Metropolitan, he heard the auditions of several thousand singers, of whom several hundred owed their training to him.

He rarely refused a music student's appeal for funds. The years before 1920 found him supporting and paying for the lessons of dozens of singers, pianists, composers, and violinists, with whom he maintained close relationships. Several received living allowances amounting in some cases to three hundred dollars a month, a handsome endowment for students of the pre-crash era. Others received lump sums—two, three, or five thousand dollars—which

Kahn would give them together with the assurance that more would be forthcoming when the first fund was exhausted.

His generosity literally had no limits. When one of his protégés, a student in Chicago, wrote asking permission to use tuition funds for a New York holiday, Kahn wrote:

"You are quite right in feeling that you would not be justified in using any part of the fund subscribed for your living and tuition to defray the cost of a trip to New York. On the other hand, as you have worked and made progress, Santa Claus ought to fulfill your wish to spend the Christmas holidays in New York. So I will plead your cause with him and you may take it for granted that he will do as you ask. In anticipation of his approval, I enclose herewith a check to cover the trip and remain with kind regards, Otto H. Kahn."

He read through or examined or actually listened to several hundred scores, whose performance their composers hoped Kahn could arrange. Frequently he did, sometimes in public, sometimes in the musicales he gave at his house. When he discovered a musician of promise, he recommended him either to the Metropolitan, the Philharmonic, or one of the many music organizations on whose boards he served.

Some of the most distinguished artists ever engaged by the Metropolitan were discovered by Otto Kahn. In one letter of 1918, he urged on Gatti the bassos Lazzari and Chaliapin and the baritone Battistini, three of the greatest artists of this century. If Kahn had done nothing else for the Metropolitan in the thirty years he was associated with it, his sponsorship of Kirsten Flagstad would in itself have justified his tenure there. Madame Flagstad related that Kahn heard her as Tosca in Oslo at the National Theatre in 1929. On his return to New York he asked the Metropolitan to engage her, urging them to send someone to Norway to hear her sing.

The remarkable expansion of the Metropolitan repertory during the years Kahn played a part in Metropolitan matters is in itself an index to the amount of money he was willing to spend on the theatre as well as to the wide embrace of his taste. During Kahn's years at the Metropolitan more than fifty operas, already known

in Europe, received their American premieres at the Metropolitan, including *Parsifal, Salome, The Bartered Bride, Boris Godunov, Der Rosenkavalier, Franscesca da Rimini, Iphigénie, Prince Igor,* and *Jonny Spielt Auf.*

During the same period over twenty were given their world premieres at the Metropolitan, one phase of Gatti's and Khan's attempt to increase the international prestige of the theatre. These included *Cyrano de Bergerac, Peter Ibbetson, The Blue Bird,* and *The Emperor Jones.*

All but five of the world premieres in the entire history of the Metropolitan took place under Kahn's aegis. Up to the time this book is being written, only four world premieres have been given there in the twenty-six years since Kahn's death.

His role in formulating Metropolitan repertory has been obscured by two factors, his own reluctance to taket credit for any Metropolitan achievement, and Gatti-Casazza's own insistence that every innovation was his own. Because Gatti's memoirs were published after Kahn's withdrawal as chairman, Gatti succeeded in posting his claim for the Metropolitan's success during his engagement there. Kahn, a dying man in 1933, did not dispute Gatti's bid for glory. It is unlikely that he would have refuted Gatti's claims even if he had been well, for he never engaged in petty squabbles to establish his authority. But the Kahn correspondence fixes his position and defines the volume of his voice in Metropolitan policy. Together he and Gatti planned the repertory every year.

"I have been urging French repertory on Gatti for years," Kahn wrote in 1918. Revivals of twenty French operas in the years which immediately precede and follow this letter attest to his powers of persuasion. After the First World War, he fought to restore German texts to the Wagnerian operas presented at the Metropolitan. As early as 1919, he prodded Gatti to obtain rights to the best modern German operas. He was urging the production of Korngold's works in 1916, years before they actually reached the Metropolitan stage. His devotion to the soprano Maria Jeritza led to the first productions of several brilliant operas which he asked Gatti to stage for her. The successful revivals of

Rigoletto and *L'Elisir d'Amore,* starring Caruso in light tenor roles, originated with Kahn. Gatti confirms the first, Zirato the second.

Composers of the period regarded Kahn as an important patron of modern music. His early enthusiasm for Strauss, dating from his furious defense of *Salome* during Conried's regime, was soon supplemented by an interest in Ravel, Milhaud, Prokofiev, Stravinsky, Satie, Ernest Bloch, and even the bizzare George Antheil, whose *Ballet Méchanique* dazzled Paris in the 1920's. In 1919 he began pressing for the production of Prokofiev's *Le Joueur* at the Metropolitan. "Knowing that you are a connoisseur of modern art . . ." begins one of the composer's letters to Kahn, while a later letter illuminates the relative position of Gatti and Kahn on contemporary music:

"I doubt that Gatti-Casazza, with his eyes turned toward the past, could see the possibilities of my opera [*Fire Angel*] as well as you would with your eyes turned toward the future," Prokofiev wrote frankly.

Antheil, Enesco, and Bloch were materially helped by Kahn subsidies. So also was Krenek, whose *Jonny Spielt Auf* Kahn championed at the Metropolitan. "He is a coming man," Kahn wrote, strongly urging this his opera be given. "I consider it a very interesting new departure and some of the music is really beautiful." He had seen *Jonny* in Leipzig. He gave Gatti no peace until he consented to give it a New York hearing. At the end of the Metropolitan premiere, on January 19, 1929, Kahn was standing in the foyer congratulating himself on its success when one of the most voluble anti-Semites from the boxholding clique thundered down on him.

"I think this is disgraceful," he shouted. "You ought to be ashamed of yourself!"

As the man stalked off, Kahn turned toward one of the Opera House staff and asked innocently, "Who on earth is that?" pretending ignorance, although he had known the man nearly twenty years.

The Spanish composer Granados was honored posthumously by Kahn. When Granados and his wife, returning from the world

premiere of his *Goyescas* at the Metropolitan, were killed in the torpedoing of the channel steamer *Sussex,* Kahn energetically organized a benefit for their six orphaned children. Paderewski, John McCormack, Pablo Casals, Maria Barrientos, and Fritz Kreisler appeared at the Metropolitan at his request and the performance realized more than ten thousand dollars for the orphans. Kahn supplemented the amount with a check of his own. Gratefully the Spanish Government decorated him with the Order of Charles III in October, 1916.

In the same year he acted characteristically to save one of the most famous instrumentalists of this century from ruin and suicide. The man, who shall remain nameless here, had lost nearly one hundred and fifty thousand dollars of his own and his friends' money in short-selling and speculation on the market. A mental, nervous, and physical wreck, crying like a child, he begged for help. Kahn gave him ten thousand dollars of his own funds at once, then wrote to two dozen of America's richest men, asking them to subscribe to a loan fund for the musician. When nearly one hundred thousand dollars had been subscribed, Kahn descended angrily on the man's brokers, accused them of fraud and compelled them to assume responsibility for a substantial part of the loss. The musician was saved; his friends never learned of his speculations.

His reputation for beneficience had by 1912 grown until he received several thousand letters each year relating to music and musicians. Each received an answer, even those of a banjo-playing vaudevillian and a woman who wrote: "My daughter has heard that you do not intend to give any more money away after your new house is finished, so we hurry with our appeal."

Kahn was by no means so bemused that he thought every candidate promising, but he believed firmly that every prospective performer deserved at least to be heard. Often he sent them along to the Metropolitan with wry recommendations: "Here again is the ever-hopeful Miss M—" and "I introduce Mr. B—. I have weakly promised to hear him" and "As you will see from the enclosed, we have overlooked an American voice equal to Caruso's."

Unhappily he often heard from these candidates again—and again and again—not only in New York, but in the other cities where he was involved to various degrees with opera production. Letters from Atlanta, Dallas, Baltimore, and other cities of the South and West confirm that he planned in part the route taken by the Metropolitan Opera on tour each year. His visits to Atlanta were a particular joy to him. Accompanied in his private car by Robert Goelet, Henry Rogers Winthrop, and Forbes Morgan, he found in the costume balls and golf matches with Bobby Jones a relaxation impossible in New York. He took an endearingly childish pleasure in wearing Scotti's Scarpia costume and wig to an Atlanta masquerade ball one evening.

He toured regularly to Chicago for the Ravinia festivals and served on the boards of the Chicago Grand Opera, the Metropolitan Opera House Company of Philadelphia, the Boston Opera Company and the Century Opera. When one collapsed, he helped the stranded singers, finding them new engagements and writing substantial checks to help them through the period of unemployment. The bankrupt impresario of one company lived most of his later life in a villa on the Riviera which Kahn gave him rent-free. Small wonder, then, that three generations of theatrical performers found in him "the kindest," "the most generous," "the most unfailingly understanding and helpful" man they had ever known.

He was eager to have "his" Metropolitan company heard abroad as well as at home. Gatti claims to have originated the plan to take the Metropolitan to Paris in 1910, but apparently Kahn laid the groundwork for the French tour in his conversations with the impresario Gabriel Astruc after seeing Pavlova and Mordkin at the Théâtre Châtelet in 1909.

The brilliant Paris engagement of the Metropolitan, which was carefully reported by Quaintance Eaton in her book *Opera Caravan,* returned an astonishing $172,892 in box office receipts. Kahn, who had guaranteed Astruc one-half of any eventual loss, was gratified, even though he was called on to support the venture in part.

Earlier in the spring he had secured a signal victory for the

Metropolitan by eliminating Oscar Hammerstein and his competing Manhattan Opera House from the American opera scene. It must be recorded to his credit that he accomplished Hammerstein's removal without ruining him. Hammerstein's biographer Vincent Sheean even suggests that Kahn saved the Metropolitan's rival from certain bankruptcy.

Hammerstein's Manhattan Opera House, at Thirty-fourth Street and Eight Avenue, had been a canker, eating away at the Metropolitan public since its opening night. Conried's failing health was undoubtedly caused to some extent by worry over what became a very real threat to the Metropolitan's existence. Only the backing of Kahn and W. K. Vanderbilt permitted the company to sustain its losses without failing.

Kahn, who had watched Hammerstein's opening performance of *I Puritani* from proscenium box thirteen, was seen at the Manhattan Opera House regularly during the seasons that followed. Hammerstein's silk top hat and black cigar amused Kahn. He envied the impresario the rickety kitchen chair in the wings from which Hammerstein watched every performance and admired him for his adherence to democratic precepts, his blatant disdain for society, for his theatre, his repertory, his singers, and not least, for what Carl Van Vechten called his "certain Napoleonic magnificence." When *The New York Times* wrote that "the musical people" of New York went to the Manhattan while society went to the Metropolitan, the article rubbed Kahn on a raw wound.

He seems to have been torn at least briefly between the two theatres and to have toyed, also briefly, with the idea of backing Hammerstein. Then he discussed with Hammerstein's son the possibility of putting his father in charge at the Metropolitan, where the squabbles between Dippel and Gatti had reached an intolerable pitch. When this proved impossible, Kahn proposed a merger of the two companies, but this too was rejected as unfeasible.

Competition during the winter of 1909–1910 nearly ruined both companies. The Metropolitan, enjoying the support of several millionaires, held a distinct edge over Hammerstein's one-man

enterprise; but its advantage was annulled by the fact that the failing New Theatre, which came to its end in December, 1910, claimed the energies of several members of the Metropolitan board of directors.

Kahn engaged in prolonged negotiation with Hammerstein's son throughout the early months of 1910. During the course of the two years of talks between the two men, their relative positions had been curiously reversed. In 1908 Hammerstein had been a real menace to the future of the Metropolitan. In 1910, lacking the financial resource of the Metropolitan, he faced certain ruin. Yet from Kahn's conduct of the talks, one might have supposed that Hammerstein still held the upper hand. The Hammersteins won a settlement which constituted a virtual gift from Kahn to the old man with the top hat and cigar. In exchange for his promise to refrain from presenting opera for ten years in New York, Chicago, Philadelphia, and Boston, the Metropolitan agreed to pay Hammerstein $1,250,000.

Vincent Sheean and other writers who have examined the records agree that the money was Kahn's. Sheean suggests that his gesture toward Hammerstein was motivated by sheer generosity. Hammerstein was failing. All that was necessary really was to wait for his imminent bankruptcy. But Kahn was a man with an abiding desire to make life comfortable for others. The man who anonymously bought up the shares of a bankrupt box office employee hid behind the corporate wall of the Metropolitan Opera as he made good Hammerstein's losses.

Hammerstein's singers were saved by having their contracts either taken up by the Metropolitan or transferred to the new Chicago-Philadelphia Opera Company, which was formed by Kahn and a Morgan partner, Edward Stotesbury. (Kahn achieved a double philanthropic coup in securing for the troublesome tenor Dippel the post as general manager for the new company.) The Chicago-Philadelphia Company continued both the repertory and the traditions of the old Hammerstein Manhattan opera, while Hammerstein entered old age financially secure. When he died in 1919, Kahn was the first to propose a memorial to him.

8

Made in America

THE SWELLING TIDE of isolationist chauvinism of the twenties and its accompanying materialism inevitably affected the performing arts. Pressure was brought to bear on the Metropolitan Opera from two factions: the tireless supporters of American singers and the advocates of opera in English. As spokesman for opera in the United States, Otto Kahn was sought for his opinions, which he readily advanced. Americans in opera, certainly. Foreign language opera in English, no.

A frequently repeated criticism of the Metropolitan Opera—that Americans were never given a chance there—aroused Kahn's anger. In 1925 he published a twenty-four-page brochure dealing with the question, long excerpts of which were reprinted by *The New York Times* and other newspapers here and abroad; for nationalism in art had become something of a *cause célèbre.*

He punctured the "preposterous legend, the fable which has become a veritable obsession in the minds of some people," that the Metropolitan Opera was not sufficiently conscious of being an American institution. Gatti was, in fact, under fire in Italy for "discriminating" against Italian artists in particular and foreign artists in general. But this was not generally known; and Kahn made a point of it. The policy of the Metropolitan was to give the best operas in the best possible manner, using the best available talent from every country; and "other things being equal" to give preference to American art and artists over foreigners.

To reinforce his argument he cited the fact that there were then thirty American artists at the Metropolitan, compared to the seven who had sung there under Maurice Grau; that the Metropolitan had (under his aegis) by 1925 produced nine operas and a ballet by American composers, whereas not one single American work had been given there under preceding managements; that Farrar had been paid a higher salary than any woman there, and that Eames and Nordica had both received fees as high as those paid to any other woman except Farrar. American singers had not been neglected.

Neither had composers, Kahn said; although the painful truth was that there was a depressing dearth of good American operas and that the public had scorned those which the Metropolitan had produced. The composers themselves were not to blame. Still less the singers. He called attention to the regrettable lack of adequate training facilities in America and the almost total failure of the country to provide opportunities for those who were trained. He looked ahead to the day when colleges and universities and conservatories would train young aspirants in theatre; when rich men and foundations would give monetary assistance and encouragement; when American cities would subsidize civic symphony orchestras, when small opera groups would flourish.

His faith in the artistic future of America was undiminished, even in the face of the twenties' coarsest materialism. His faith was well founded and his vision clear. The prophecy of his essay has become history in the thirty-five years since it was written.

At the Metropolitan Kahn had renewed the search for American artists worthy of the high standards of the house. "In justice to the patrons, the Metropolitan cannot be a laboratory or a training school," he said, "but we must seek out those who have grown to Metropolitan stature." He found and sponsored two sopranos, Marion Talley and Grace Moore, and a composer, Deems Taylor. The first was not a success. The others won merited careers.

The story of Grace Moore, veteran of Broodway revues, is a happier one. Otto Kahn had first heard Moore at the Music Box, which she was eager to leave in order to prepare for an operatic career. He gave her financial assistance, encouraged her to study

in Europe and, once she was there, sought from European musicians an objective opinion on her abilities. Henry Russell, veteran impresario, and Gemma Bellincioni, an internationally famous soprano, cheered Kahn with their praise of her, saying that she had amazing possibilities and a voice of beautiful timbre, and predicting that, in the right environment, she would achieve a great career.

The words were prophetic. Where Talley had failed, Moore succeeded. At her Metropolitan debut in February, 1928—exactly two years after Talley's—she was photographed with Otto Kahn in the pose Marion Talley had assumed in 1926. She justified wholly the faith Kahn and Ziegler had placed in her, lent strength to the so-called "American wing" at the Metropolitan, and hushed critics who had charged the Metropolitan with a prejudice against American artists.

With Grace Moore and Rosa Ponselle on the roster, Kahn and Gatti might have interrupted temporarily their search for American talent; but they both knew that an opera theatre cannot be sustained by sopranos alone; and Kahn was still seeking a great American composer. After weighing many factors, he approached Deems Taylor of the New York *World,* whom he had met at the turn of the decade.

At luncheon Kahn put the Metropolitan's plan before Taylor: "We have a problem in that we want to stage an American opera. But the composition contest failed to turn up anyone to write it; and we have decided to ask you to accept our commission," Kahn said.

Taylor accepted at once. "Mr. Deemus," as Gatti called him, became a familiar figure at the Metropolitan, as plans for *The King's Henchman* went forward. The work, which was underwritten by Kahn, scored the first unqualified success ever attained by an American opera at the Metropolitan. Taylor and his librettist, Edna St. Vincent Millay, had created a theatrically effective and artistically compelling stage piece which was a box office success for three seasons.

Kahn had finally found the "serious American composer" whose coming he had anticipated. On the morning after the

premiere he sent Taylor a personal gift: his check for $1,000. On the printed line where he always noted what his checks were written for, he had carefully inscribed one word: "Gratification."

Taylor served Kahn in many ways. He indicated promising singers and composers, evaluated scores, and even spent a summer coaching one of Kahn's protégés, the policeman Ed McNamara from Paterson, New Jersey, who had been Caruso's only pupil. McNamara had become something of a legend in the musical world, where everyone agreed that he had the finest baritone voice of the time; but he was so absolutely unmusical ("antimusical," Deems Taylor said) that learning even a short phrase was beyond him. Caruso had attempted to teach him. So had Schumann-Heink. So had Scotti. One day during a lesson when Scotti was instructing McNamara in simple time-values of notes, he said to his pupil:

"Look, McNamara, this is a dotted eighth note. It is an eighth with one half its time value added. The dot means you add one half."

McNamara eyed Scotti squarely and replied:

"That's one man's opinion."

In spite of unfavorable prognoses, everyone at the Opera House kept hoping that McNamara could be taught. Kahn took him in hand and placed him with Taylor; but it was useless. It remained for another American baritone, Laurence Tibbett, to become the foremost American baritone of the Metropolitan.

Otto Kahn's friendship with Deems Taylor lasted, although during the years when the latter served as a music critic on New York papers, he often unleased blasts at the Metropolitan which evoked immediate and sometimes sharp replies from Kahn. The two men disagreed on many of the essentials of opera house management. Yet in spite of their differences of opinion Kahn commissioned Taylor to compose for the Metropolitan; and after one especially heated exchange, which was aired in print, Kahn approached Taylor in the hall at the Metropolitan.

"You know, I had to write as I did," Kahn said, "but I don't want you to stop saying what you think. You must keep right

on. There is nothing more important than your right to express your views."

On the question of translating foreign operas into English for American audiences, a perennial topic of discussion among music enthusiasts, Otto Kahn was adamant. The Metropolitan's audiences had had a taste of opera in English when the Wagner works were presented in translation at the outset of World War I. After 1918 Kahn had insisted on having the German texts restored; and in the face of militant "all-American" sentiment in the twenties, he remained unqualifiedly opposed to translations for the Metropolitan Opera performances.

The Metropolitan, he said, was a great cosmopolitan theatre, one of the few great houses in the world that could afford the luxury of maintaining artists who knew several languages. Translated opera was a violation of the composer's design, for modern English could not lend itself to the flowery sentimentality of nineteenth century librettos. Translation made opera ridiculous.

"Every opera loses by having its text twisted into the sound and rhythm of a different language," Kahn said. "Especially since Wagner, the connection between the music and the tonal values of the original words is so close that the advantage of having the text understood—or more probably partly understood at best—is more than offset by the disadvantage of having the relation of accent and sound between text and music arbitrarily set aside."

Try, he challenged, to translate these phrases; then come back and preach to me about translated opera:

Salome to Herod: *"Du hast ein Eid geschworen, Tetrarch!"*

Siegfried, lifting the shield which covers Brünnhilde's generously proportioned breast: *"Das ist kein Mann!"* (This, without making the audience laugh.)

Last, Otello's cry: *"Sangue! Sangue! Sangue!"*

It cannot be done, Kahn said. "It isn't art."

9

The House That Was Not Built

MORE THAN BY any other burden, Kahn was weighted during the mid-twenties with the complex problems involved in the projected new Metropolitan Opera House, which he had hopefully looked forward to building ever since the day he joined the Metropolitan Board in 1903. The main issues were social, not constructional. As always, Kahn was too democratic, too advanced, too progressive for his time; he was hampered by the social and historical frame in which he moved.

He had promised Gatti in 1908 that they would see a new Metropolitan Opera House rise within a few years; but the New Theatre fiasco dampened the Board's enthusiasm for additional expenditures, then the war intervened. When it became plain that the twenties would be a prosperous decade, his old desire to relocate the Metropolitan was reanimated. Interviewed on the S.S. *Majestic* as he returned from eight weeks abroad in August, 1924, he emphasized the inadequacy of the Opera House at Thirty-ninth and Broadway, its poor location and its lack of suitable accommodation for the "thousands of people of this city who wish to see grand opera, but cannot afford to pay the prices for the higher seats at the Metropolitan Opera House."

The announcement was greeted joyfully. The project was Kahn's alone; for the Board and the boxholders had failed to give him even token support when he had pressed for construction of a new Opera House eight months before.

Of all the several thousand people involved in Metropolitan

Opera affairs, the boxholders had least cause for dissatisfaction with the old house and the most unshakeable reasons for maintaining the *status quo*. They were comfortably ensconced in the best seats in the theatre, seats which they owned by virtue of their holding stock in the Metropolitan Opera and Real Estate Company. Tradition-bound and conservative, they were reluctant to abandon the old house. A member of the Metropolitan staff reported disgustedly that the conservative boxholders stayed away almost as a body from premieres of some of the new operas Kahn persuaded Gatti to stage. They had little interest in the antiquated technical facilities backstage. No matter that the theatre had several hundred blind seats with limited (or no) view of the stage.

Kahn cared. The simple chore of staging an opera each evening was a daily tour de force, achieved sometimes through sheer luck in overcoming the insufficiencies of the stage equipment. Gatti had performed miracles. But the old Opera House was inadequate. Kahn was painfully conscious of the fact that it had been built at a time when the needs and desires of the masses of the people counted for almost nothing.

"It is a solemn obligation of a semi-public institution such as the Metropolitan Opera to provide amply and generously for music lovers of small or modest means," he said, adding that in his opinion the poor brought more zest and enthusiasm to the theatre than the rich and were therefore entitled to more consideration—a remark which certainly did not increase the support of the boxholders for his project.

He spoke from firsthand knowledge. Several times each week he climbed to the upper reaches of the two top balconies at the Metropolitan, where he was a familiar figure. Clambering up and down the steep Family Circle steps and moving among the standees, he learned the tastes and preferences of what he sometimes called "Third Avenue." He would stop to comfort a girl, crying over *Madame Butterfly,* or to seek an usher's opinion on repertory and casts. The recurring refrain of their protest to him was the lack of available seats for people of their economic class.

Thus when Kahn spoke of a new Opera House, he always referred to the technical facilities and a seating plan which would

"conform to that genuinely democratic sentiment which ought to be characteristic in all ways of America." It was his misfortune that the boxholders cared little for the equipment and less for "Kahn's masses," as they came to be called.

The social issue boiled to the top almost at once. *Time* magazine carried Kahn's portrait on the cover of its November 2 issue in 1925; inside were profiles of Kahn and Gatti, followed by a paragraph comparing "The Box Holders" (bold, black-faced type) to "feudal barons, clinging to their castles and patents of nobility. So the elect of Manhattan's social register cling to the boxes of the Metropolitan."

At the end of 1925 Kahn purchased property on which he hoped to relocate the Metropolitan, a large plot stretching between Fifty-sixth and Fifty-seventh streets on Ninth Avenue, two blocks west of Carnegie Hall, two blocks west of Steinway Hall, in the heart of the music district of New York.

The announcement had scarcely been made public when he was deluged with scores of letters praising him for his choice of a site. The papers took up the cry. Admirable, the best location possible, conveniently located in an uncongested area, easily reached by elevated, subways, and surface cars. Kahn purchased the property at his own risk and offered it to the owners of the Metropolitan Opera House at exactly what it cost him.

He also offered to assist financially with the new building, although it seemed probable that the proceeds from the sale of the old Broadway property would more than cover the cost of a new building. The plot Kahn owned—500 feet on Fifty-sixth Street, 500 feet on Fifty-seventh Street and 200 on Ninth Avenue —would accommodate an opera house of impressive dimensions.

In his optimism, he believed that definite plans for the new house could be approved before December, 1926, and that demolition for construction could begin on January 1, 1927. He had tentative plans drawn up for the building and negotiated a loan of $1,700,000 from the Metropolitan Life Insurance Company, so that construction could begin as soon as the agreement of the boxholders could be obtained. But they still opposed the plan.

In a widely reprinted letter, R. Fulton Cutting, the president of

the Metropolitan Opera and Real Estate Company, stated that the Metropolitan Opera Company had, through Kahn, submitted a plan for a new opera house. "If the music lovers of New York wish a new home for opera, they are entitled to have one, and the trustees of the present property will certainly not oppose any obstacle or competition to such a project. They are not, however, of the opinion that the present building is antiquated or that its site is undesirable." Cutting went on to attempt to enumerate the assets of the old Opera House, but he could name only one: the acoustics. "If it is desirable that the building should be replaced by one larger and more scientifically equipped, I presume the company of which Mr. Kahn is the chairman will undertake the project."

"Mr. Cutting replied cuttingly," Burns Mantle observed. *Musical America* confined itself to observing that Cutting and his fellow directors were "men beyond middle age, conservative, unwilling to undertake the responsibility and opposed to the removal of the opera house." It went on to outline Kahn's plan:

1) increased seating capacity from 3,500 to 4,500
2) clear sight lines from all parts of the house
3) reduction of parterre boxes from 35 to 30
4) elimination of all other boxes
5) a system to provide for leased boxes rather than outright ownership
6) erection of a plain, dignified theatre rather than an ornate one
7) possible inclusion of apartments or studios in the design of the new structure,

and to join the thousands of people who had endorsed it from the moment it was made public. "Future generations of music lovers will owe Kahn a debt of gratitude for his foresight and initiative."

New York newspapers, canvassing the opera-going public, found the consensus almost 100 percent in Kahn's favor. So also were William K. Vanderbilt, Clarence Mackay, Paul Cravath, George Eastman, Harry and Cornelius V. Whitney, Henry

Rogers Winthrop, and the other members of Kahn's board. So was the press. *The New Yorker* remarked cynically that the occupants of one box were visible only during intermissions, but during the performance itself they retired to play bridge. In Kahn's democratized, new opera house, where would they play? Cutting and the boxholders were mocked as "museum pieces." But because they offered only passive opposition, Kahn assumed that a new house would be built.

In a bitter quatrain, which the New York *World* entitled "The Social Primer," the newspaper upheld Kahn:

> "K is for Kahn who is doing his best
> To give ultra-exclusives a kick in the chest.
> He'd deny them the privilege, so 'twould appear,
> Of ruling the roost from the gilded parterre."

In the same month *The New Yorker* called Kahn "The Metropolitan Richelieu."

Benjamin Wistar Morris and Joseph Urban were named architects for the new Opera House project. The former had designed the Cunard Building, the Morgan Memorial in Hartford, and the Morgan Library Annex in New York; the latter was the architect of the Ziegfeld Theatre, and famous as a scenic designer as well. Kahn left for Europe in February, 1927, in a relaxed, confident mood. His letter to Cutting, stressing the responsibility of the Metropolitan Opera as a public trust, had finally obtained the boxholders' grudging consent to the move.

But while Kahn was abroad, two elements of discontent shattered the shaky calm. Certain members of the boxholders' circle began to agitate against the Fifty-seventh Street site in May, advocating instead the more "desirable" location at Fifth Avenue and One Hundred and Tenth Street (in what has become since 1927 the corner of New York's most feral, crime-scarred slum). At the same time, Morris and Urban disagreed over the design: Morris, "the favorite Christopher Wren of the Morgan family," pressing for the old, traditional horseshoe of boxes, with the resultant inevitable bad sight lines which plagued the old theatre;

Urban for a "democratic house with the boxholders admiring the singers and the scenery instead of each other."

Kahn returned to find two sets of plans and two warring factions, the same old Metropolitan conflict of reaction versus progress, society versus the public, a war which was not to be ended until Rudolf Bing assumed control at the Metropolitan in 1950.

But with the press and public still on his side, Kahn fought on for another year. The old Metropolitan was assailed as "a miserable building with a collection of foolish boxes in which ladies expose their diamonds, chests and boredom, and old gentlemen sleep; where miserable seats far up are for those who really enjoy good music but can neither see nor hear well."

So long as a majority of people felt so strongly, the plan must surely be realized eventually, Kahn thought. But in February, 1928, he was forced to abandon the Fifty-seventh Street site, scrapping the architects' drawings and plans. Mrs. Cornelius Vanderbilt and Robert Goelet were rumored to have led the opposition to which Kahn finally surrendered.

"One does not easily associate Kahn's name with failure," one editor remarked. But he had had enough. He wrote a bitter letter in 1928 in which he admitted that he had tied up $3,359,000 in the property for three years. He had been insulted, abused, flayed, and embarrassed by the old guard boxholders. Why, indeed, should he continue to fight? Yet he still hoped for a solution to the problem. On December 28, 1928, he wrote to Louis Eckstein in Chicago that he expected eventually "to give New York an operatic setting much superior to what I had dared to contemplate." In the months that followed, however, he began to see the handwriting on the economic wall. He felt that a recession was inevitable. After 1929 he never again referred to a new Metropolitan Opera House.

10

The Amateur Impresario

IN THE COURSE of fifteen railroad tours of the United States that Otto Kahn made between 1897 and 1912, his private cars rolled over one hundred thousand miles of tracks and ties, carrying the banker to several hundred towns and cities. Indefatigable sightseer that he was, Kahn left his car in each station early in the day, often sleeping the night in local hotels.

The first landmark he sought was the theatre marquee, which he held in only slightly less reverence than the cathedral portals which were the points of departure for him and his party on every European city tour. But while the cathedrals satisfied Kahn wholly, the American theatrical billboard often seemed to him an alarming symptom of national disease. Kahn called it intellectual malnutrition. His own tastes in theatre were catholic, but the flaccid commercial theatre of the day, against which playwrights rebelled in 1914, disgusted him.

Recalling his own childhood in Mannheim and his early indoctrination in Schiller, Molière, and Shakespeare, he mourned for the American public. New York was disappointing enough, but it was not until he investigated conditions in the Midwest that he was struck with the revelation of his mission. The people of the hinterlands, patronizing their local theatres, knew Shakespeare by name; but he discovered that Ibsen, Marlowe, Strindberg, Racine, Corneille, and Rostand had not been dignified with even that faint distinction. Although America was unenlightened, Kahn thought he discerned in it a growing impulse toward art.

"The souls of many people are hungry," he declared solemnly. With missionary vigor and enthusiasm, he set out to feed them.

"If, as I trust and believe will come to pass," he wrote in a monograph, *Some Observations on Art in America,* "we will give to art that full scope and place and honor to which it is entitled; if we make it widely and easily accessible to the people; if we afford serious encouragement, fostering attention and adequate opportunity to genuine aspirations and talent, and due reward to genuine merit; we shall, I am convinced, astonish the world and ourselves by the greatness and intensity of the manifestation of the American spirit in art."

Kahn never considered either the magnitude of the job or the cost to himself. Save for brief relapses, he was a chronic optimist. In 1924, at the frenzied peak of the materialist craze, he said that America was not and had never been the Land of the Almighty Dollar. In 1932, when the depression plunged to a new nadir, he burst buoyantly into a conclave of grim-faced businessmen, proclaiming triumphantly: "Gentlemen, I have been west and I am a rampant bull on this great country!

"In this vast country there lies the raw material of a great cultural and artistic development," he said. "We have here perhaps the best public anywhere, a public eager to learn, alert for improvement, hospitable to the unaccustomed, quick to perceive and respond, sure to appreciate and retain, spontaneous in its feelings, fertile of emotion, endowed with a rarely failing instinct for what is really worthwhile."

He appears to have devised his scheme to bring art to the people in 1909, when he saw Pavlova and Mordkin dance in Paris. (He also saw the Diaghilev Ballets Russes at the Théâtre du Châtelet that year, but he perceived that the United States was not ready for it.)

Kahn invited Pavlova and Mordkin to perform at the Metropolitan Opera House in the early months of 1910. They followed their New York triumphs with a cross-country tour, weekly reports of which kept Kahn abreast of their success (artistic) and failure (financial). When ruin seemed imminent, Kahn would

send out his checks: $7,500 here and $5,000 there. As a personal service to the *première danseuse,* he handled her funds for her, investing amounts up to $40,000 to bring her gratifying returns on what she earned. Pavlova left Otto Kahn in charge of her money for many years: it was for her a very profitable arrangement.

The advance guard of the Russian theatre had reached America only five years before Pavlova. A small group directed by Pavel Orliewoff featured Alla Nazimova in Ibsen and Russian repertory plays at the Criterion Theatre in New York. Nazimova remained after the troupe's return to Russia, but she appeared in an English-language production of *Hedda Gabler;* so Russian theatre was, for all practical purposes, dead. A brief attempt to resurrect it failed when Gorki and his common-law wife were not permitted to register at their New York hotel, lacking a marriage license. "The tone of the publicity he received was not conducive to artistic creation, and he soon departed for the hospitality of Capri," Oliver Sayler wrote drily.

Chaliapin joined the Metropolitan in 1907, but his Mefistofele (in Boito's opera) was an unqualified failure. The critics used such words as "gaudy," "carnal," "startling," and "bestiality incarnate"—as the bass "bared himself to the rump." A slash at Gorki and his "vulgarity of conduct" appeared in one review (Krehbiel), which concluded that Chaliapin had transformed the Boito work into a "Raree-Show." Chaliapin left in 1908, just as Vera Kommissarzhevskaya arrived to play Ibsen, Gorki, Sudermann, and Molière, all of which were dismal disappointments at the box office.

Thus Pavlova's arrival had been preceded by a series of Russian fiascos in America. When she won triumphant acclaim, Kahn rejoiced with her.

In 1914 he began to agitate for the Diaghilev Ballets Russes. Because he felt that Metropolitan sponsorship would lend the company luster, he presented to his Board the idea that they should offer the Ballets as part of the regular Metropolitan season, which would be slightly shortened to accommodate them.

Gatti-Casazza was opposed to the plan. He had never been especially enthusiastic about ballet, although his second wife

Rosina Galli was the Metropolitan's *prima ballerina.* What little interest he had in the art centered in her. He, like Otto Kahn, had seen Pavlova and Fokine and Diaghilev in Paris in 1909, but he had seen no reason to invite them to the United States. Moreover he thought that the projected shortening of the Metropolitan season, to make room for "those Russians" was sheer madness and an affront to opera.

Gatti balked in vain. The Metropolitan Board (for which read Otto Kahn, because Kahn by 1914 was his own master at the theatre) voted for Diaghilev. Ironically, the unwelcome task of negotiating with the troupe fell to Gatti, for Kahn was called back to America early in the summer. Gatti made the job sound as onerous as possible: "After very long and difficult negotiations I have signed Diaghelev contract," he cabled Kahn on October 14. Kahn assigned to Henry Russell, former impresario of the Boston Opera, the stupendous project of getting the Ballets ready for America.

By the winter of 1915 the costumes and scenery were on their way. No one but Diaghilev knew that the stars would not be following them. Fokine was in the Russian army; the *danseuse* Karsavina was pregnant; and Nijinsky was interned as an enemy alien in Vienna. When Diaghilev arrived in America, he calmly informed Kahn that the Ballets would play without stars. It could not be helped, he claimed. To friends he confided that he had come to America solely to make money and that even if the performances were not the equal of those in London or Paris, they were still better than anything America had ever seen. No one here would know the difference.

Gatti wrung his hands, raised his eyes to heaven, and rocked back on his heels in an age-old Italian gesture of despair. Kahn characteristically went straight back to his office on William Street and began to pull Diaghilev's irons out of the fire. Realizing that Karsavina's pregnancy was an obstacle against which not even he could prevail, he concentrated on Nijinsky.

Bringing Nijinsky to America was a feat designed for a Hercules. Even before Nijinsky had been interned, the complex relationship between the great dancer and Diaghilev had struck

an unprecedented low. Diaghilev, tall, handsome, possessive, Diaghilev of the burning, heavy-lidded eyes and the long hands, Diaghilev of the small black moustache and elegant clothes and thick hair, was an enigma at best. To Nijinsky he was a Svengali. Nijinsky's wife thought him the devil incarnate. He had dismissed Nijinsky brutally when the dancer married: "Your services with the Ballets Russes are no longer required. Don't join us. Serge de Diaghilev." That was all.

But Diaghilev discovered in London what he discovered later in New York: that no one wanted to see the Ballets Russes without Nijinsky. He persuaded Nijinsky to rejoin the troupe, but forbade anyone in the company to speak to him when he arrived. After one rehearsal Nijinsky fled. He and his wife went to Vienna, where, as the war broke out, they were interned as enemy aliens. When Diaghilev wired Nijinsky begging him to accompany the Ballets to America, Nijinsky was forced to answer that he could not leave Austria even if he wanted to do so.

The Ballets Russes opened in New York on January 17 at the New Theatre, that ill-starred granite pile on Central Park West which had been renamed the Century Theatre after the Metropolitan had abandoned it. When the living flame of the Diaghilev Ballets burst upon New York that night, the audience caught its breath. The brilliant Bakst sets and costumes, the savage, primitive colors, the exultant sensuality of the dance, the cacophony of *Firebird* and *Petrouchka,* the daring designs and the unexpected modernity of it all shook a public which had previously sought in Pavlova's fluid classic gestures and Caruso's melodramatic breast-beating the pinnacle of stage emotion. After the first shock came the inevitable hounds of the vice-prevention societies and self-appointed guardians of public morals. But on the first night the public was so overwhelmed that it scarcely knew what had struck the city.

Kahn was elated. Gatti was dour. Three weeks later even Kahn had to admit that there was a cloud in the sky: New York was pervaded with disappointment over the absence of Karsavina and Nijinsky, Kahn wrote to Secretary of State Robert Lansing, begging his cooperation in an attempt to obtain Nijinsky's release.

After raising many obstacles, the Austrian government consented in February to let the dancer visit the United States for an indefinite period of time—on parole, as it were. Lansing advised the Nijinskys through the American ambassador to Austria that Kahn was their benefactor.

From Kahn's correspondence it appears that it was no less a figure than the Emperor himself who effected Nijinsky's release. One of Kahn's first letters regarding Nijinsky was addressed to the Parisian Countess Greffulhe, mistress of a famous salon and a prototype of Proust's Duchess of Guermantes; apparently it was she who set in motion the processes by which Nijinsky was freed. In a letter to Kahn she refers to the "difficult negotiation" and to her having been "fortunate enough to secure the help of an August Personage whose Gracious interest in this affair overcame every difficulty." In a cable this anonymous benefactor is "Le Grand Personnage." It could scarcely have been anyone but Franz Josef, since the combined efforts of ambassadors and cabinet members had proved ineffectual.

In New York, Kahn sighed with what proved to be premature relief. Nijinsky made his way to Switzerland on his newly written *laisser passer,* then decided abruptly not to leave Europe. Terrified by the submarine threat, he announced that he would remain in Switzerland. A cable informing Kahn of this reached New York on March fifteenth. Kahn cabled reassurances.

The following day brought the news that Nijinsky, freed by Austria-Hungary, had been seized by the Russians in Berne: he was eligible for military service and would not be permitted to escape to America. Desperately Kahn got in touch with the State Department and the Russian ambassador. Russia followed Austria in agreeing to let Nijinsky dance.

One week later another cable informed Kahn that Nijinsky's debtors had prevented him from sailing. (Henry Russell, who had been sent by Kahn to Switzerland to accompany the dancer to the boat, said Stravinsky had stopped them in Lausanne and demanded money.) "I'll pay," Kahn replied.

On March 25 came the terse news: "Nijinsky aboard," while a confirming cable from Stravinsky said "RÉUSSI CONVAINCRE.

NIJINSKY PARTI." Kahn could scarcely believe it. He cabled his thanks to Stravinsky and arranged for Nijinsky's quarters in New York. The opening of the Ballets Russes at the Metropolitan was less than one week away.

Nijinsky did not arrive for the Metropolitan premiere on April 3. The steamer *Rochambeau* from Bordeaux docked three days later. Representatives of the Metropolitan met the dancer and his wife and escorted them to their apartment, where Kahn's secretary was waiting to take them to Kuhn, Loeb to meet Kahn. As they drove downtown Nijinsky, childlike, exclaimed over the transit system's elevated railways.

The couple met Kahn in his office, thanked him for bringing them to America, then informed him calmly that Nijinsky would not dance with Diaghilev until the impresario paid him an old debt of one half-million gold francs which had been awarded Nijinsky in the judgment of a lawsuit. Otto Kahn asked to see the judgment, which he settled in three days (probably out of his own pocket) and offered to sign a private contract with Nijinsky so he would not have to deal with Diaghilev. Nijinsky agreed to dance eleven performances at the Metropolitan.

His debut on April twelfth in *Le Spectre de la Rose* was an unqualified triumph. When he made his entrance onstage, the whole audience came to its feet. The entire forestage was showered with baskets of American Beauty rose petals, chosen to match the color of Nijinsky's costume. (One sees in this gesture the hand of Otto Kahn.) Amid the fragrant petals, Nijinsky danced gloriously, transcendently. The audience went mad.

It was a gratifying moment for Otto Kahn, although Gatti was miserable. The Metropolitan Opera, shipped off to Boston to make room for the ballet, had found the press and public ungracious hosts. "We were thoroughly roasted," Gatti growled sourly. Moreover, he had coasted along with Caruso for years, resisting the innovations Kahn had thrust upon him. Now the spectacular Russian troupe opened the eyes of New York; and it was whispered about that Kahn wanted Diaghilev to replace Gatti as general manager of the opera company. Even before

Nijinsky's arrival, Gatti had begun his attempt to sabotage the whole enterprise.

Diaghilev reproached Nijinsky for trying to collect the judgment, accused him of being a deserter from the Russian Army, and insulted Nijinsky's wife. Then, after he had thoroughly upset him, he tried to calm the dancer by assuring him that he was not a shirker after all.

"I give you my word of honor that it is all right," said Diaghilev.

"That does not suffice, Sergei Pavlovitch," Romola Nijinsky answered.

"But my word will, I hope," Otto Kahn interjected. Mrs. Nijinsky said she would accept Kahn's word alone in the matter.

The remainder of the season passed uneventfully. Nijinsky danced in the *Rose, Petrouchka, Les Sylphides, Carnaval, La Princesse Enchantée, Narcisse,* and *Scheherazade.* Diaghilev stopped bedeviling him. When the company sailed in May for Europe, Nijinsky remained behind, to work at Strauss's request on the choreography for *Till Eulenspiegel.* At the beginning of the summer, Otto Kahn confided to Nijinsky that he was contemplating a new season of ballet for the following year and asked whether he would consider becoming the artistic director and planning a long tour, to follow up the seventeen-city tour which had been negotiated with only a small loss in January, February, and March of 1916.

Nijinsky declined, protesting to Kahn that he did not wish to offend Diaghilev by usurping his position. It was then that Kahn revealed that Diaghilev had not been invited to return and that the Metropolitan in fact had engaged the troupe with the express understanding that Diaghilev would remain abroad. (How much had Gatti labored to achieve that?) Hearing these conditions, Nijinsky accepted the director's position; and the two men shook hands on the bargain.

The second season of the Ballets Russes in America opened on October 16, 1916. Several new ballets were added to the repertory, *Sadko* and the new *Till Eulenspiegel* among them. An even more ambitious tour of twenty-seven cities brought the company to its

last performance in America on February twenty-fourth, in Albany.

Both the New York season and the tour were financial disasters. Two weeks before Nijinsky opened in New York, the Russian army summoned him to military service. Otto Kahn sent a pleading letter to the Russian ambassador Bakhmetieff in Washington, begging to have Nijinsky just "a few months more" and explaining that the cancellation of the Ballets' engagements at the last minute would ill serve the cause of Russia in America. He had received no reply on the thirteenth of October, three days before opening night. Nijinsky on that day was handed a letter from the Russian consulate in New York demanding to know immediately when he would report for service.

"Qu'est-ce que je dois répondre?" Nijinsky wrote Kahn desperately. Kahn counseled Nijinsky to delay in answering, saying that he had that day cabled the American ambassador in Petrograd and the Russian ambassador in Washington. He also obtained cooperation from the King of Spain who requested the Spanish ambassador in Petrograd to intercede for Nijinsky. Nothing more was heard for a month. Then Nijinsky on tour in Washington wired frantically to Kahn that he had received an order from Russia to return at once or be considered a deserter. "You understand that my departure by the next boat is absolutely necessary." Kahn reassured him again. But the combined weight of responsibility for the company and for his own performances together with fear of arrest, kidnaping, or impressment shattered Nijinsky's nerves. He began to delay in announcing programs and to cancel his own appearances. In December Kahn asked him to stop canceling, informing him that the tour was being wrecked by his last-minute change of plans.

The Russian troupe held Gatti responsible for the failure of their second American tour, hinting darkly of an Italian cabal. Gatti had opposed the Ballets Russes tour from the first day Kahn proposed it. "What is amusing is that although I was completely against these tours, they would not listen to me," Gatti fumed. "I said to them, 'Take care. This year the public has been truly friendly, and while the company did not have all its great dancers,

the entire thing was a novelty. Now, even with the greatest dancers, it will be difficult.' They would not listen."

By "they" he meant Otto Kahn, who was determined to give the public a second opportunity to see the Ballets. He told Nijinsky specifically that he wanted the tour to go on, even though the deficit mounted. "I want to educate the American public," he confided to the dancer.

The Diaghilev tour was an expensive one for Kahn, but he continued to pay its soaring costs. Aimé Gerber, who has been on the staff at the Metropolitan for over fifty years, recalls that even in New York the engagement was a financial disaster, with 500 to 1,000 tickets given away every night. Gerber stood at the door of the theatre with a handful of tickets, hoping to give them away to passersby. When the losses were tallied, the deficit exceeded three hundred thousand dollars. The question of responsibility for the failure has been the subject of controversy for almost fifty years.

When the Ballets played to half-empty houses, the members of the troupe accused Gatti and the Italian clique of sabotaging their performances. Gatti blamed Kahn, but only in private conversations to friends. Some local booking managers wrote to Kahn, assailing Nijinsky. There was some fault on all sides. Gatti did nothing but inveigh against the Ballets Russes; even before they reached America he had undermined to some extent their chances for success. From Kahn's correspondence, one concludes that Nijinsky could not cope with the responsibilities of management. Kahn for his part stubbornly insisted on the second tour, even though (as Gatti realized) the public had reached the point of saturation with the Ballets. It had clamored for the novelty but was too immature to embrace the art.

The extent of that immaturity is reflected in an incident Lawrence Langner recounted in his book *The Magic Curtain*. Langner took an engineer from Dayton, Ohio, to the Century Theatre as his guest, to see Nijinsky dance *L'Après Midi d'un Faune*. "Gee, Lawrence," the Midwesterner said angrily as Nijinsky executed a miraculous leap, "how I'd like to take a sock at that guy! Why doesn't he *work* for a living?"

Langner observed that anyone who pioneered in theatre in that period had to fight the philistinism of the public, which was prevalent everywhere except among a small handful of people in the larger cities. That handful was looked upon as cranks, eccentrics, and sissies. This was the America Kahn hoped to elevate.

Regarding the Ballet's deficit, Irving Kolodin asserts in his history of the Metropolitan that it was charged against the Metropolitan. But Lincoln Kerstein, the general director of the New York City Ballet and director of the American Ballet School, refers in a program of the Bolshoi Theatre Ballet to the "disastrous losses footed by our last American Maecenas, Otto Kahn." Gatti-Casazza, too, stated that Kahn underwrote the group. Kahn himself told Lawrence Langner that the enterprise cost him more than $250,000. Taylor says the figure was more than $500,000. The point is academic, for Kahn supported the Metropolitan Opera virtually alone. The money he donated was, he said, the dividends on the investment America had made in him.

The full value of those dividends which paid for the Ballets Russes was not perceived immediately. Langner reflected on its "profound influence" on the young American theatre, which was just beginning to quicken in 1914. Many members of the Ballets remained in the United States to become teachers of the dance. As Lincoln Kirstein observes, the finest Russian dancers stayed on here to become masters of studios from Houston to Springfield, Massachusetts, and from Chicago to New York. The best dance instructors were no longer Italian; they were Russian, Diaghilev's Russian. "The impact of the season of 1916 is still with us. . . . When we realize that the Bolshoi (in 1959) is sold out all over our nation in advance of its first appearance, every balletomane should burn a candle in his heart to the memory of the friendship, the understanding, the sense of deep cultural necessity that animated Otto Kahn and Serge Diaghilev."

The last accounting of the Ballets Russes ledgers was still in progress when Otto Kahn met the French actor-director Jacques Copeau, the greatest force in the French twentieth century theatre,

whose company, Le Théâtre du Vieux Colombier, was the next to benefit from Kahn's munificence.

Kahn, seeing the Vieux Colombier in Paris, which Copeau had founded in 1913 at "the old Dovecote Theatre," was enchanted with its innovations and its artistry. When he met Copeau, he liked him immediately. The French director was lean, intellectual, intense, and introverted, as passionately convinced of the divine mission of the theatre as was Kahn himself. As they talked, Kahn conceived the idea of establishing a superior French theatre in New York. On an impulse he asked Copeau to come to America, bringing the Vieux Colombier with him.

Copeau arrived in the United States in the spring of 1917, for a lecture tour sponsored by the French Government, almost simultaneously with André Tardieu, the foreign editor of *Le Temps* of Paris who was appointed French High Commissioner in the United States. Tardieu had known Kahn in France. The two men, almost contemporaries, were both of the upper bourgeoisie. Both were men of energy, practicality, and vision.

Long before they met, Tardieu had known how Kahn had expressed his devotion to French culture by working tirelessly for the French Institute in New York, the French Drama Society, the French-American Society for Musical Art (of which he was president), the French League of America (of which he was a director), and a dozen organizations devoted to Franco-American social and political relations. Later Kahn was to serve as an officer of the Théâtre Parisien de New York, the Union Interalliée, the Cercle Français, Les Amis de France, and the French Hospital. The record of a single canvass for one of these groups translates Kahn's concern into figures: one man's contribution, $2,500; seven others: $1,000 each; Kahn: $12,500.

At the moment when Tardieu and Copeau reached America, Otto Kahn was absorbed in a group called the Théâtre Français de New York, which had been organized in 1916 as one outgrowth of a committee to make French art and artists better known in America. Theodore Roosevelt had been secretary of the Théâtre, and Robert Goelet its president.

Bernhardt, Duse, and Modjeska had all played to good houses,

Underwood & Underwood

Otto H. Kahn

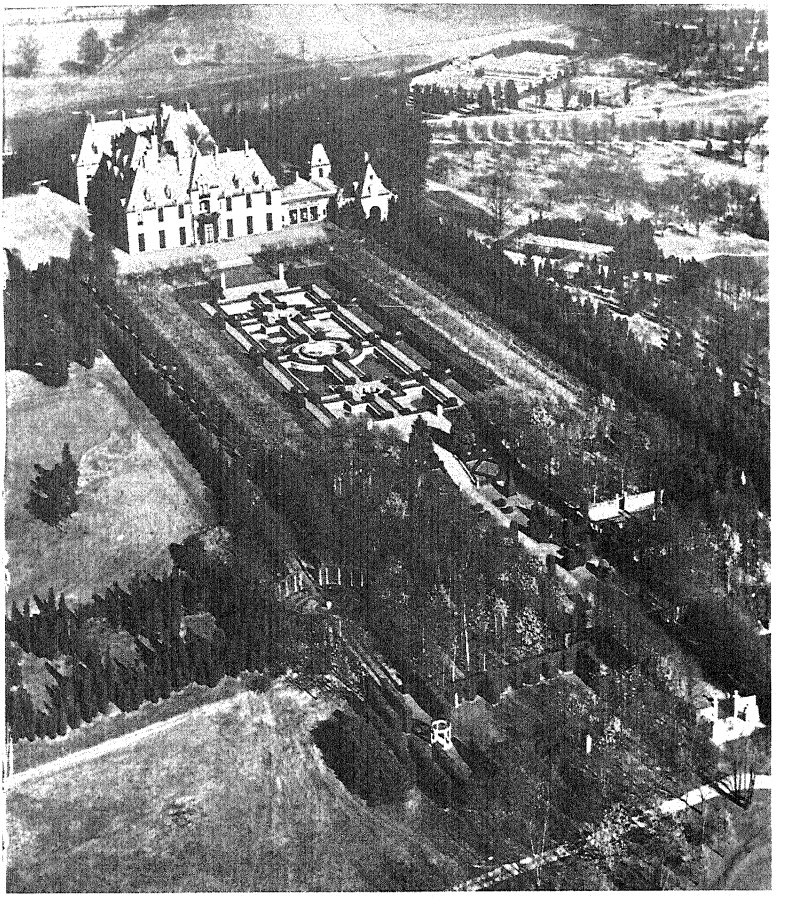
The Kahn children: Gilbert Wolff, Margaret Dorothy, Roger Wolff and Maude

Addie Wolff Kahn, wife of Otto Kahn

Otto Kahn, 1910, at the age of forty-three, chairman of the Board of Directors of the Metropolitan Opera and a partner in the banking firm of Kuhn, Loeb and Company

Pach Bros.

United Press International Photo

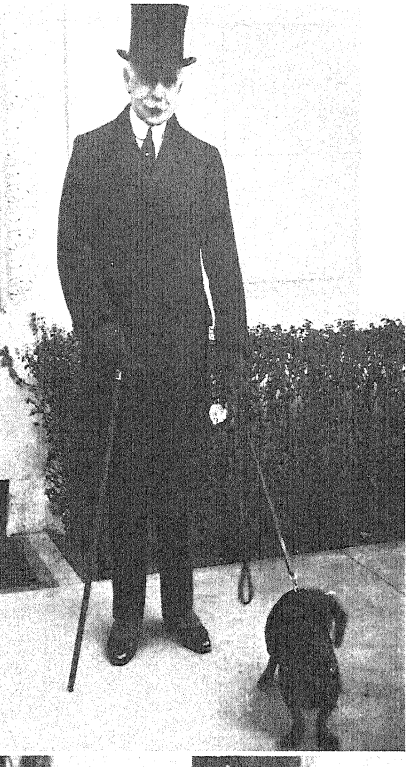


The Kahn country house at Cold Spring Harbor, Long Island

Emil Bühler, Mannheim

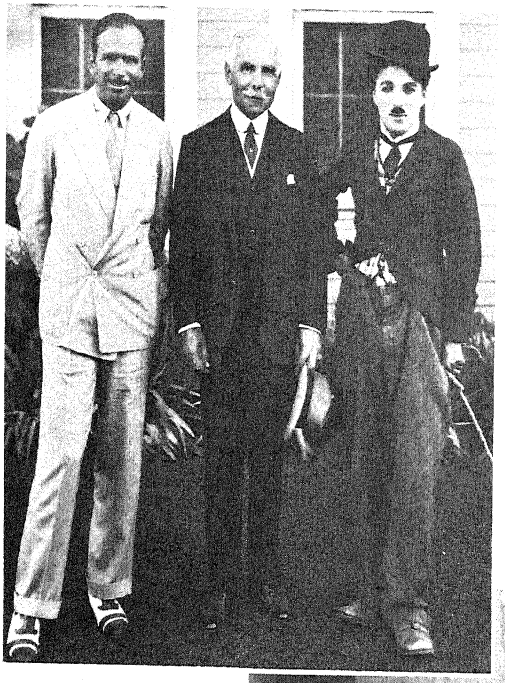
Kahn as a boy, photographed in Mannheim

Kahn at eighteen, in the uniform of the Mainz Hussars



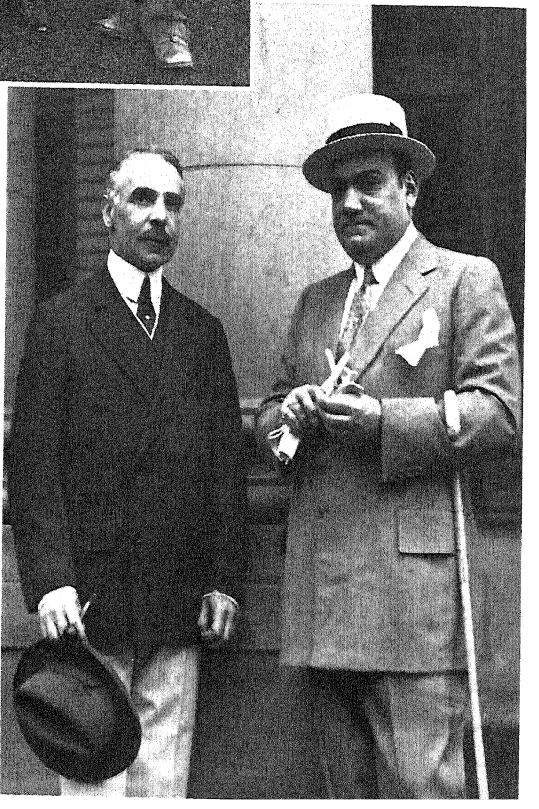
Kahn's Sunday morning strolls with his dachshunds made him a familiar figure on Fifth Avenue.

Kahn at home, in his study



Kahn in Hollywood, with Douglas Fairbanks and Charlie Chaplin

Kahn, chairman of the Metropolitan Opera Board of Directors, with Enrico Caruso



but their success was attributable largely to their personal reputations rather than to any appeal the foreign-language theatre had for American audiences. A four-week engagement of French plays at the American Theatre in 1904 had been only moderately successful. Lucien Bonheur of the French Drama Society survived three seasons. In 1917 a Jules Renard play which was given but a single performance bore witness only too eloquently to the fact that the French theatre was dead in New York.

In preparation for the Vieux Colombier's New York appearance, Kahn took a lease on the Garrick Theatre at 65 West Thirty-fifth Street, which had originally been built for the comedians Harrigan and Hart, and launched an extensive program of alterations, in true Vieux Colombier tradition. The remodeling of the "darned old Garrick," Kahn lamented, cost nearly twice the amount estimated, but he was consoled by the fact that the Théâtre Français subscription drive had rolled up a large production fund to guarantee the engagement.

Copeau and his troupe arrived, laden with their wicker basket-trunks, in the early winter of 1917. They opened at the Garrick on December 3. Copeau's promise to give only plays of high literary merit attracted an audience of intelligent people who were grateful for something better than the inartistic trivia peddled on Broadway. But shortly after the run began, the old cry of "high-brow" was heard.

The French director offered an unusual repertory. During his first season he gave Molière's *Les Fourberies de Scapin, La Jalousie de Barbouille, L'Amour Médecin, L'Avare;* Mérimée's *La Carrosse du Saint Sacrement;* Becque's *La Navette;* Musset's *Barberine;* Curel's *La Nouvelle Idole;* Marivaux's *La Surprise de l'Amour;* Mirabeau's *Les Mauvais Bergers;* Porto-Riche's *La Chance de Françoise;* Shakespeare's *Twelfth Night* (*La Nuit des Rois*); and his own adaptation of Dostoevski's *The Brothers Karamazov.* Of the last, Norman Bel Geddes told Otto Kahn in 1918 that it was the best staged play he had ever seen in any theatre.

After the first novelty of the season had worn thin, Copeau became the butt of criticism. He was too intellectual, said Broadway

aficionados. The Vieux Colombier was nothing but a snob club. The few who defended Copeau assailed Kahn and the other directors for insisting on a repertory planned to attract intellectual snobs. Kahn was alarmed, for he remembered too clearly that the accusation of snobbery had reduced the New Theatre to a shambles. He went directly to Copeau to enlighten him about American philistines. "I did urge him repeatedly to recognize that he was not dealing with the intellectual elite of Paris but with the public of New York," Kahn declared wearily; "I did not ask him to compromise his high artistic aims."

Copeau would not be swayed. He was a reformer. He imagined himself St. George; and the commercial theatre was his dragon. In Paris Copeau had been the avowed enemy of boulevard farce. To his despair the very shallow stuff he had scorned in Paris was filling Broadway theatres while the Vieux Colombier played to nearly empty houses at the Garrick. On one night in 1918 the box office gross was at discouraging $250.95. *Les Frères Karamazoz* took $225.50 at one matinee, while *Poil de Carrotte* set a record low for a single performance with $223.75.

When Kahn discovered Copeau would not budge, he chose to remain with the sinking ship, as he had with Diaghilev; to Copeau's surprise, Kahn offered to sponsor the Vieux Colombier for a second season in New York. If they were going down, it might as well be in style.

The repertory for the second winter was even more elevated than that of 1917–1918. The French Company gave some of the plays from the previous year, then staged Beaumarchais's *Le Mariage de Figaro,* France's *Crainquebille,* Ibsen's *Rosmersholm,* Musset's *Les Caprices de Marianne,* Tristan Bernard's *Le Fardeau de la Liberté,* Rostand's *Les Romanesques,* Courteline's *Boubouroche,* Hervien's *L'Enigme,* Corneille's *Le Menteur,* Erckmann-Chatrian's *L'Ami Fritz,* and Maeterlinck's *Pelléas et Mélisande.*

The Vieux Colombier was the finest theatre to be seen in New York that season. Nothing even approaching it had been seen for many years before it opened. Nothing better was to be seen for five years after it closed. But the box office figures went down,

down, and down. When Otto Kahn filed to dissolve the American company on December 2, 1918, it was revealed that he was the sole stockholder.

His generosity to the Copeau troupe was not limited to bolstering the production fund. He placed his Italian villa at Morristown at the disposal of the Vieux Colombier for the summer of 1918—the house, the park, the ballroom, the woods, the gardens, the greenhouses, the golf course, and twenty servants. The troupe held rehearsals in the ballroom and on the lawn.

They followed a regular schedule: at seven in the morning they dressed and did gymastic exercises; nine, breakfast; nine forty-five until twelve, rehearsals; twelve-thirty to one-thirty, lunch; one-thirty until three, free time; three until four, diction lessons; four until seven, rehearsals; seven, dinner. In the evenings they practiced eurythmics with a pupil of Dalcroze and conducted discussions of the plays under study. On Sundays the troupe danced, swam, played tennis or golf. None of the fifteen men and five women in the troupe had ever seen a golf club before they encamped in Morristown.

Morristown looked askance at what it considered the desecration of the Kahn estate. Rumors flew through the community of scene painters in the billiard room and disrobed actresses on the lawns.

"Who's all them people in Mistah Kahn's house?" asked a Negro hack driver of a reporter who had interviewed Copeau.

"Actors."

"Uh-huh," the hackie said slowly. "I wondered what was wrong with 'em."

Kahn's next importation was a whirlwind success. In 1921–1922 he worked with Morris Gest on the production of *Chauve-Souris,* a high-spirited Russian vaudeville which had been put together in 1908 by members of the Moscow Art Theatre for their own diversion. *Chauve-Souris* originally had been presented in a basement cabaret, but the impresario Balieff moved it to a theatre, then to London and Paris. Gest and Kahn brought it to New York, where it was immediately successful. One perform-

ance was given privately in Kahn's house for "Otto the Magnificent," as Woollcott called him, and his guests.

Following Balieff, came the Moscow Art Theatre, which was billed as a Comstock-Gest attraction. Founded in 1897 by Stanislavsky and Dantchenko, it was the most efficiently organized theatrical institution in the world, having survived the Revolution intact and flowered in the early twenties with fifty leading actors and over one hundred students to play small roles.

Stanislavsky's first New York engagement was for 1922–1923, sponsored by a committee of patrons of which Kahn was chairman; it aroused more excitement than any other dramatic enterprise within memory. The thousands of people of Russian origin then living in New York greeted Stanislavsky hysterically. The newspaper critics saw in their flawless ensemble the triumph of art over materialism. American actors and actresses responded to the high level of dramatic performance. American playwrights, who had been starving for Russian art since their first tantalizing glimpse of the Diaghilev Ballets in 1916, found in the Moscow Art players a stimulus and inspiration for their own artistic labors. And the general public, influenced by the combined enthusiasm of all these factions, joined the concerted rush to the box office.

In the opinion of the drama historian George Freedley, the enormous success of the Moscow Art Theatre in America cannot be overstated. "It is not too much to say that the whole American theatre was affected by this visit, which left memories, methods and a number of the actors, who preferred life in America to the more restricted freedom of their native land." The company gave three hundred and eighty performances of thirteen plays in two seasons. The members of the troupe called Kahn the "faithful Maecenas of Russian art."

Maecenas he was. He bore the losses of the second, less successful, Stanislavsky tour to the sum of $47,662. The previous year he had—probably to his own surprise—realized a profit for the first time in his career as an amateur impresario, for his share of the surplus from the 1922–1923 tour of the Moscow Art Theatre was $23,515.00.

The American public had come far between 1908 and 1925.

Under pressure from Kahn, Gatti-Casazza signed Chaliapin again in 1921. The Russian bass, whom the press had reviled mercilessly during his earlier engagement, writing of his "vulgar carnality" was welcomed back in *Boris Godunov* to a chorus of critical alleluias. Henry Krehbiel, the same reviewer who had heaped scorn on Chaliapin in 1907, mentioned the venerated names of Kean, Macready, and Forrest as Chaliapin's peers in his 1921 review. "Such swellings of the heart as [one] experienced when tragedy was at its prime in New York," he bubbled. "Marvelous," "thrill," "greatness," "nobility," "artistic puissance." Chaliapin had undoubtedly grown in artistic stature. But the American theatregoer had grown more, under Kahn's directing hand.

It is easy for one to say now that if Kahn had not served the theatre as he did, someone else would have. But the correspondence recording Kahn's attempts to interest other rich men of the period in contributing even token amounts toward these projects gives the lie to that argument. In Kahn's own time, no informed person believed that it could have happened otherwise. Again and again in letters, wires, testimonials and private conversation, his contemporaries acknowledged freely and willingly their debt.

Between 1897 and 1925 Kahn, too, had matured. At fifty-three he was rich, powerful, popular, elegant, handsome, and determined to live out his life in the manner and amid the surroundings which pleased him most.

He was frightened in 1920 by a fairly severe stroke. After thirty years of eighteen-hour days, his body had rebelled, he said. The specter of premature death played some part in his decision to live his remaining years as fully as possible. He cultivated odd friends both above and below Fourteenth Street. In the southern contingent were the Minskys, a coterie of radicals, and several dozen Greenwich Village habitués. To the north were Alexander Woollcott, Condé Nast, Frank Crowninshield of *Vanity Fair,* Father Duffy, Jo Davidson, the Algonquin Hotel circle, actors and actresses and producers, speakeasy proprietors, publishers, showgirls, and scenic designers. Not the least eccentric of them all was Morris Gest.

Kahn met Gest through David Belasco, whose daughter Gest had married in 1909. Gest was an impresario and theatre manager, Russian-born, whose first occupation, it was said, had been ticket scalper, and his first enterprise in the United States had been painting English sparrows yellow and selling them as canaries. Gest's thick, pulpy eyelids shaded large, sad, luminous eyes. His huge, heavy-lipped mouth drooped sensually, like the crushed, silken bows of his flowing black ties. His loose suits and floppy fedora and unruly hair completed the image of an eccentric.

Gest turned to producing. Together, Kahn, Belasco, and Gest would stroll down Broadway: Gest, looking like the hero of a Russian boudoir farce; Belasco, shaking his white mane of hair and fingering the white clerical collar which had earned him the sobriquet "Bishop of Broadway"; Kahn, in white tie, tails, and silk top hat, moustache waxed and silver cane head polished like a family heirloom. They met frequently and discussed the American theatre.

By 1916 Kahn was pouring money into Gest enterprises: $75,000, $20,000, $10,000. He underwrote part of the musical extravaganza *Chu Chin Chow* in 1919. Gest was the manager of the Stanislavsky tour of 1922–1923, and 1923–1924. And it was Gest with whom Kahn worked when he brought the Max Reinhardt pageant *The Miracle* and the French Théâtre de l'Odéon of Firmin Gémier to America.

Kahn invited the Odéon in 1924–1925. They offered *The Merchant of Venice, The Taming of the Shrew, Le Bourgeois Gentilhomme, L'Homme qui Assassina, Le Procuteur Hallers,* and *L'Homme et ses Fantomes,* all in French; but they failed even more discouragingly than the Vieux Colombier. In 1925 America was just seven years more mired in isolation than it had been in 1918. Kahn accepted the loss philosophically and declared to Herriot that to have helped them was "a gratification and a privilege." This was precisely what he had said as he paid the debts of an earlier French debacle, the Théâtre Parisien, an orphan surviving in the backwash of the Vieux Colombier.

While the Odéon was in New York, the French government

decorated Belasco, making him a chevalier of the Legion of Honor, an event which gave Kahn, Gest, Gémier, Daniel Frohman, and other friends of the producer an opportunity to gather at Belasco's theatre and pay homage to The Bishop. André Brouzet, the French consul general, conferred the honor. Belasco and Kahn spoke.

The Odéon venture collapsed ignominiously, but Kahn refused to be discouraged. It was enough that it had been here. If only fifty people saw it perform, the enterprise was worthwhile, Kahn said. He never lost sight of the fact that those fifty might constitute the basis for a potential audience for the next company.

As it happened, Kahn would have found consolation even if he had been despondent over the Odéon, for in 1923 he realized an old dream, bringing *The Miracle* to America. Like the Stanislavsky troupe, it was sensationally successful. Unlike Stanislavsky, the Reinhardt production was box office from its first performance until its gala closing night in California.

The Miracle, the colossus of all spectacles, was especially gratifying to Kahn, who loved above all things the spectacular in art. Reinhardt had staged the production at the Olympia in London in 1911; but Kahn did not see it until January of the following year, when he attended as Reinhardt's guest. The two men made plans at once for bringing *The Miracle* to America. Reinhardt, in 1912, requested Kahn's counsel and best judgment in the matter. In 1913, it was *"unseram Projekt,"* with Kahn meeting Ordynski and others of Reinhardt's company in St. Moritz to settle on a theatre, a stage, and a budget. In New York, Kahn incorporated an American Miracle Company, its objective a United States production of the Karl Vollmoeller pantomime during the 1914–1915 season. But when the war prevented Reinhardt from coming, the idea was temporarily shelved.

When Kahn and Reinhardt met after the war, the scheme was reborn. In the search for a producer, Kahn suggested Gest, to whom he first described the project in 1922. Gest allowed himself to be convinced, as Kahn expanded enthusiastically on the success he was certain *The Miracle* would have. They agreed that the

Century Theatre, where the Diaghilev ballets had played, would be the only suitable house in New York for such a crowded, elaborate production.

Reinhardt arrived here during the Moscow Art Theatre run, forcing Kahn to divide his time between the two enterprises. To launch Reinhardt properly, Kahn planned a series of social functions to introduce him in New York. With typical lavishness, Kahn sent out one-hundred-word telegrams as invitations for a dinner in Reinhardt's honor. During the early weeks of Reinhardt's stay, Kahn became acquainted with Rudolf Kommer, Reinhardt's aide-de-camp.

The plump Kommer, with a moon face and two owl eyes peering through round, steel-rimmed glasses, called himself a writer of "mid-Atlantic comedies, too mild for the Continent and too wild for America." Alexander Woollcott found him a *"Mitteleuropa* journalist without portfolio, a cosmopolite who had translated many English plays for the German stage." He had the good fortune, he said, to have been born an Austrian; he thanked "that ramshackle empire" for having taught him German, English, and French instead of Ruthenian or Romanian. He was born a Jew and a commoner in Czernowitz in the Duchy of Bukovina. The city was the prototype of middle European small towns; like Cupcake, Idaho, it was a continental joke; and the mere mention of it drew a laugh. Kommer, who used the title "Doctor" with his name, quixotically added "von Czernowitz" at the end. Late imprints of his visiting card boasted a middle initial as well: K. for Kätchen. That K. had a story behind it.

The proprietor of a Viennese restaurant in London had a vicious cat which he would chide daily: "Ah, Kätchen, Kätchen, it iss useless for you to park und crowl." One afternoon during a rehearsal of *The Miracle,* when Kommer scolded testily at everyone in the cast, the Madonna reproved him, saying "Kätchen, Kätchen, it iss useless for you to park und crowl." Thus Rudolf Kommer became Kätchen.

Between Kahn and Kommer a fond affection grew. Kommer was witty, sophisticated, literate, clever, an excellent bridge player, a purveyor of gossip and smoking-room jokes, an extravagant

spender. Woollcott called him "the alchemist." Kahn called him "Dear Czernowitz," and Kommer called Kahn "Dear Boss."

"Dear Boss" provided generously for Kommer's comfort. Luncheon, a box at the Metropolitan, trips to Kahn's Cottage at Palm Beach, with Bernard Baruch and Sir William Wiseman, tickets to every play in New York, current books on loan, weekends in Cold Spring Harbor, expensive gifts. Kommer, in return, amused Kahn, expending on him the same slavish devotion he lavished on Lady Diana Cooper, the star of *The Miracle* company. Kommer poured out his gratitude, saying that "such are the ways of the *Asra* of Czernowitz, who die when they adore."

Since Harriman's death in 1909, Kahn had known few men to whom he felt bound in close friendship. But in Wiseman and Baruch, in Jo Davidson and Forbes Morgan, in Ned Ziegler of the Metropolitan, in Caruso, and in Kommer of the Reinhardt troupe, Kahn found friends with whom he was perfectly at ease. They each had a gift beyond price to offer Kahn: they never bored him.

He was happiest in the twenties when, leaving Kuhn, Loeb early, he could stop to watch rehearsal at the Metropolitan and take a tray meal of chicken and champagne with Ziegler, hear part of the performance, then go on to the Century, where he stayed through either rehearsal or performance and accompanied Kommer to supper afterward, long after midnight.

He had stood somewhat apart from Stanislavsky's Russians, but he was completely absorbed in *The Miracle*. He watched as the carpenters transformed the interior of the Century Theatre into a perfect replica of Chartres Cathedral, following the scenic designs drafted by Norman Bel Geddes, whom Kahn had assisted through the lean years of his youth. From a back row seat he heard rehearsals of the Humperdinck score and followed the pantomime onstage. Only rarely did he proffer a suggestion unobtrusively to Gest, who was ubiquitous—sometimes backstage, sometimes in the balcony, sometimes peering down from a scaffold.

No expense was spared in the production, which cost Kahn $600,000. There were columns which turned into trees, a statue

which became a woman, rows of theatre seats replaced by pews, aisles, side aisles, chancel steps, a high altar. All the splendid panoply of the Middle Ages was re-created onstage. The miraculous Madonna, nuns, crowds, children, a skeleton representing death, the forces of good and evil; the cast of over six hundred people, all bedecked with the richest trappings Geddes's imagination could devise. And Otto Kahn, sitting in the last pew of the dimly lighted cathedral, nodded his approval, wordlessly. As he watched the reincarnation of Chartres in the Century auditorium, he was flooded with poignant nostalgia. One of his dearest dreams was that he might inspire Americans with an awareness of the beauty of European monuments. Now, with Chartres Cathedral about to begin a tour of the country, the first step toward its realization had been made.

The Miracle was a press agent's dream. To add luster to the stage spectacle, Reinhardt engaged three exquisite women to play leading roles. Lady Diana Cooper, a famous, distinguished, and charming English actress, alternated as the Madonna with Maria Carmi, Princess Matchabelli, a fiery-tempered actress who had once been married to Karl Vollmoeller, author of the play. The Nun was Rosamund Pinchot, the daughter of Governor Gifford Pinchot. She alone had never acted before. Reinhardt, seeing her boarding the *Aquitania* in Cherbourg, cried "There is our Nun," and persuaded the nineteen-year-old American debutante to join the company. Germany's most distinguished actor, Werner Kraus, played the Spielmann.—An unbeatable combination; and because *The Miracle* was a pantomime, there was no language barrier for American audiences. The production was an unqualified success.

The Miracle toured America until 1926, when it finally closed in San Francisco amid pandemonium. "Wildest reception," Kommer wired Kahn. "Diana was sublime Madonna and goddess in one. Morris Gest delivered for the first time in his life a virulent, breezy speech full of pep and without a tear. He was the wow of the evening. I hope he will never cry again. We all love you and very happy."

Kahn, in New York, was happy too. In *The Miracle* he found

not only a successful theatrical enterprise, but also a legitimate outlet for his religious nature which had never found expression in allegiance to any specific faith. He contributed heavily to Catholic charity in America, served on the Fordham University Sponsors' Committee in 1920, labored as the treasurer of the Father Duffy Silver Jubilee committee and entertained groups of priests both at the Metropolitan and in his Long Island house. With Father Duffy, Kahn played golf and discussed "Fragonard and Mussolini, Will Rogers, Madame Butterfly and Al Smith," during frequent dinner engagements at Holy Cross Rectory on Forty-second Street. He handled the Joyce Kilmer Fund and the Duffy Fund, to the advantage of the parish: "I notice the Fund has grown a thousand or so. I thank you," Father Duffy wrote Kahn. When returns from investments had not swelled it, Kahn slipped in a few thousand from his own pocket.

Kahn addressed the Catholic Actors' Guild, of which he was a benefactor. Receptions for Cardinals Hayes, Dougherty, and O'Connell found Otto Kahn seated beside the scarlet-clad honored guests. Episcopal and Catholic Holy Week services were a particular joy to him. One year he attended Easter observances in two parishes. The pageantry, the color, the music, and the ceremony of the Mass appealed mightily to his sense of spectacle.

Yet he remained a Jew, although there is not one account or record of his having attended a synagogue service in his whole life. David Sarnoff jokingly introduced him at a Jewish charity banquet in the early thirties as "Otto Kahn, who has just become *bar mitzvah*." But it was not true. Kahn at sixty-five was no more *bar mitzvah* than he had been at thirteen. His was a private, inner struggle. It was not until the last year of his life that he said to a friend: "The only question to be answered is whether Jesus was the true Messiah. I think we have to say 'Yes.'" But by that time, Hitler's persecutions of the Jews had begun. "We can't be anti-Semitic any more," Kahn said to a friend, as they rallied to aid the Jews in 1930.

The Miracle brought him a title which Max Reinhardt conveyed solemnly and with reverence. "Otto Kahn," he said, "is the King of New York."

Kahn brought Reinhardt to America once more, in 1928. The company played *Jedermann, A Midsummer Night's Dream,* and *Danton's Tod,* at a loss of $32,182.14. Any other impresario would have been discouraged by the figure. Kahn was not. He had promised to underwrite Reinhardt to the extent of $40,000. At the end of the engagement Kahn observed cheerfully that things in America were exactly $7,817.86 better than he had anticipated.

One year before Reinhardt's return, he had offered to finance the Abbey Players in a proposed return to America, which the company had first visited under George Tyler's aegis in 1911, billed as The Irish Players. In 1928, he and a committee tried to obtain sponsors; Kahn sparking the campaign with a large donation of his own. But it was a difficult cause. Dublin was neither as romantic as Salzburg nor as exotic as Moscow.

When Tyler brought the Abbey Irish Players to New York, stink bombs were set off in the audience; and a rowdy Irish element disrupted the first American performance of *The Playboy of the Western World.* Vegetables were hurled at the players, who spoke their lines through a curtain of hisses and boos. Policemen were called in to drag shouting and rebellious Irishmen from the theatre. Mrs. August Belmont observed that the behavior of the Irish was not precisely conducive to obtaining enthusiastic backers. The Players themselves were virtually unknown in America; the plays represented a humorous, unsentimental side of the Irish character, not likely to be understood by audiences inured to *Abie's Irish Rose.*

The people who had shown avid interest in Reinhardt and Stanislavsky merely ignored Kahn's letters of appeal for the Abbey. Many men who might have been counted in the venture were apprehensive about the bloated American economy. Kahn was among them: in 1928 he cautioned a young producer against inaugurating a new little theatre. "This is a bad time," Kahn warned. "This balloon is bound to burst soon."

When the market crashed in 1929, Kahn's hopes of finding sponsors for the Abbey Players vanished along with several million dollars in blighted investments. Yet his determination to fulfill his promises to the troupe was stronger than before the

crash. In a long correspondence with Lennox Robinson, he described conditions in America, but urged the company to plan for the tour. They set October, 1931, as a tentative opening date. Yeats was impressed with Kahn's generosity (a guarantee of one hundred pounds per week for the whole ten-week engagement) and delighted at the prospects. When he arrived in New York, Kahn was very ill; Yeats was one of the few people permitted to see him.

Kahn contributed $11,000 to the Habima Players of Israel, between 1927 and 1931, as a sponsor of its American engagement; but he could not summon for it the enthusiasm he felt for Gest and Stanislavsky, Reinhardt and Diaghilev. In the theatre, as in business and society, he remained outside the Jewish circle.

11

"The Most Considerable Maecenas"

THE dynamism that propelled Kahn sprang from his avid hunger for new experience. It often led him along unlikely paths, but none stranger than those he walked during the twenties in his happy flirtation with New York's Bohemia.

Woollcott said, "Here was a man who was both equipped and disposed to be the most considerable Maecenas in the history of our theatre." And it is no accident that Kahn's patronage of Village artists and enterprises coincides almost exactly with the gaudy heyday of the Village, from 1912 to 1932. In these years Kahn underwrote the hopes and the aspirations of Bohemia, subsidizing art according to merit, and ignoring every other consideration.

"The commercial theatre can take care of itself," he said to John Golden. He preferred to help the tyros, whether the young or the sophisticated, the drunk or the sober, the moral or the dissolute, the honest or the dishonest, asking only that they be creative artists.

His support of literary ventures in New York had started early with support for the *Little Review,* founded in 1914, and offering in its lifetime of fourteen years, a supercharged cargo of Yeats, Wyndham Lewis, Pound, Hueffer, Eliot, and Joyce. Kahn had made a modest initial contribution of $400. He wrote John Quinn, the attorney who had requested his help, "I would have given $600, but I had to deduct $200 as a penalty for the badness of

American writers." Pound, when told of this by Quinn, was amused. Later, Kahn's support was considerably increased.

He was not blindly committed to any single species of "creator." From the least known to the most famous and established, he ranged his interest on the basis of devotion to art only.

Pound, in 1931, suggested that Kahn become a liaison officer between the classes who governed and the intellectual leaders. Kahn answered Pound that he would have accepted the role, even though he was not quite certain who constituted the governing classes, but he was so severely "curtailed by numberless, trying commitments."

Yet, despite his statement, he had in fact already made the liaison that Pound suggested and he had continued it during most of his lifetime.

He preferred assisting the novice. He liked to help the initiate to make his contribution to the art world. But he did not withhold his appreciation of the well established artist. In 1924, through his friend Kommer, he reached Hugo von Hofmannsthal. The two men, artist and banker, dealt rather formally through the intermediary, Kommer. They were, however, genuinely appreciative of each other. On the Lido, in the summer of that year, Kahn had told Kommer of his enormous pleasure in the works of Hofmannsthal. Kommer told the poet of this conversation. The response of Hofmannsthal was a grateful one. He wrote Kommer that Kahn deserved his wide reputation for an "extraordinary quality of spirituality of character" and for the "noble lineage in all that he does and the almost inexplicable versatility and the intensity of this versatility."

Kahn was really like a Renaissance prince, Hofmannsthal said. "The spirit of the relationships of prince and artists . . . not a very democratic view, but one which I hold . . . to be true" was the rapport between Kahn and the creative man, the insight that power, social or spiritual (for in the last analysis they are the same), gives to poetic and artistic productions. Hofmannsthal felt that Kahn's appreciation of his writing was a "very real compensation" for which he was grateful. But Kahn supplemented this appreciation, however valuable it was, by offering to under-

write an American presentation of Hofmannsthal's *Ariadne*. The poet wrote that in his reduced circumstances he would need support for a year's inner peace and independence to prepare the work. He named the sum. Kahn immediately sent off the amount through Kommer's agency.

To an unknown, a beginning poet, Kahn's divination of genius and his desire to assist was a miraculous salvation, often in the midst of uncertainty and real want. Such was the situation with Hart Crane.

On December 3, 1925, Crane cautiously approached Kahn for "temporary assistance." In a long letter explaining the "exigencies of the situation," Crane outlined his creative career. He was twenty-six. He had, he said, "never before asked for such assistance." But, after seven years of advertising copywriting, he had been forced by ill health to resign. He had recovered and was looking for work. However, "a long poem, the conception of which has been in my mind for some years . . . *The Bridge,* aiming to a new cultural synthesis of values in terms of our America," was preoccupying him. Crane suggested a loan, with interest. Crane's letter was received by Kahn's office on December 8; the check was mailed to Crane for the amount requested on December 12.

Subsequent loans were made to "carry . . . through the remaining construction of the *Bridge,*" as Crane wrote. The poem was dedicated, when completed, to Kahn; for more than money had been given to the poet. "Warmth and candor" as well as enthusiasm was sent out to Crane, who reported frequently on the progress of the poem and who analyzed the form and the intent thoroughly in long letters to his benefactor. After the publication, Crane wrote, "Your interest and confidence have proved to be so great a spur to me that I must mention my gratitude."

No better example of Kahn's wide tolerance can be found than that of his relationship with Frank Harris, whom he had met in 1914. Fully aware of Harris's reputation as a liar and a disciple of debauchery, Kahn nevertheless underwrote for a considerable amount Harris's biography of Oscar Wilde. When Harris sub-

mitted the completed manuscript to Kahn for his opinion, Kahn indicated several small objectionable passages.

He asked Harris to change the description of Pater kissing Wilde's foot: Harris settled for having Pater kiss Wilde's hand instead. Kahn also disliked Harris's graphic description of the stench of Wilde's body after death: Harris modified the offending sentences then politely thanked Kahn for "having indicated the blemishes to me."

Harris's reputation was never an obstacle in the relationship of the two men. They exchanged views and pamphlets on railroading, each man correcting the other's work. They discussed Shaw, politics, public affairs. Throughout the correspondence, Harris often protested that he feared offending Kahn; but Kahn reassured him. "We do differ in respect to some pretty fundamental things," Kahn wrote, but he asserted that he would continue to respect Harris as a writer and intellect. Even after Harris wrote an attack on one of Kahn's enterprises, Kahn reaffirmed that their personal relationship remained firm. "I admired the quality of your mind, your culture, your versatility, and your talents; your intolerance of wrong and oppression and entrenched stupidity, the warmth and eagerness of your sympathy with those in the lowlands of life. I believed in the sincerity of your motives, however far we were apart as to the conclusions and methods."

The two took lunch together frequently. When Harris left for Europe in 1922, he wrote a poet-to-patron verse to Kahn called "The Last Word" and asked for both money and sympathy and got both.

It was not until 1923 that the friendship was ruptured on the question of taste arising from an autographed copy of *My Life and Loves* which Harris sent Kahn. "Leaving morals aside," Kahn's letter said, "it comes down to a question of taste. In some ways as between truth and taste, the latter has the right of way, in the sense that there are certain truths which need not be discussed in a detailed way *coram publico,* while taste never admits of an alibi." "I wish you had not asked my opinion of that book," he wrote, "but inasmuch as you have done so, candor and friend-

ship require me to say that I share Shaw's opinion as to the illustrations and your wife's opinion that 'it's a mistake.'" He refused Harris's appeal for further funds.

In 1915 when the dancer Isadora Duncan was unable to get her own money out of Europe, Kahn came to her rescue. This was also the year when he began to show interest in "little theatre" productions, when he first contributed to a production of the Drama Society in New York.

A far more serious venture to enjoy his patronage was the Washington Square Players, the nucleus of the Theatre Guild. The group had its beginnings in the surge of creative life which broke forth in the years preceding the United States' entry into World War I. The Washington Square Players were virtually all amateurs, many of whom had been trained by the newly organized university theatre departments, where playwriting and production were being taught for the first time in the history of American education.

He was interested by its statement of purpose issued in 1915: "an organization which takes its name from the district where it originated, to be composed of individuals who believe in the future of the theatre in America. . . . The Washington Square Players believe that a higher standard can be reached only as the outcome of experiment and initiative. . . . We believe that hard work and perseverance, coupled with ability and the absence of purely commercial considerations, may result in the birth and healthy growth of an artistic theatre in this country. . . . Though not organized for profit alone, we are not endowed. Money alone has never produced an artistic theatre. We are going to defray the expenses of our production by the sale of tickets and subscriptions. Believing in democracy in the theatre, we have fixed the admission charge at fifty cents."

If the prospectus had been written for Kahn alone, it could not have appealed to him more. He was approached by Grace Griswold on behalf of the group, which had rented the little Band Box Theatre on East Fifty-seventh Street. On February 19, 1915, they gave three one-act plays: *Licensed,* by Lawrence Langner, writing under the pseudonym of Basil Lawrence; *Eugenically*

Speaking, by Edward Goodman; and *Interiors* by Maeterlinck. The latter was staged by Robert Edmond Jones at a total cost of thirty-five dollars. The excellence and the youthful enthusiasm of the enterprise captured the imagination of the public; and on the second night of their schedule, the Washington Square Players found their theatre sold out.

At the end of their first season, the company moved to the Comedy Theatre, closer to Broadway, and planned a more ambitious program, which was to include plays by O'Neill, Susan Glaspell, Zona Gale, Ibsen, and Andreiev. They asked Kahn's support, which he willingly gave. The exact figure of his first contribution is not known; but in the fall of 1915 he made the company a loan of several thousand dollars, which they repaid as they could: $1,000 or $2,500 in each installment. In the spring of 1916 he gave the group $5,000, one-half of his promised guarantee of $10,000 against possible losses. In addition, he provided them with a list of possible subscribers and possible sources of additional financial subsidy. In July, 1917, he made a contribution of $5,000; in September, $1,250.

His subscription was paid for in an additional check; Kahn never asked any theatrical group for free seats. As always, he requested places in the orchestra (with an additional seat for his coat and hat), taking seats for every premiere.

He continued his support of the Washington Square Players, which in four years produced sixty-two one-act plays and pantomimes and six long dramas, and had used on its stage the young talents of Katherine Cornell and Roland Young, among others.

When the war took away many of the men in the company, the Washington Square Players disbanded. They closed with Susan Glaspell's *Close the Book,* on May 13, 1918. Not until members of the group formed the Theatre Guild was Kahn able to help them again.

In the unified ranks of the Washington Square Players group, one dissenter lurked. It was George Cram Cook, "Jig," of the Village, the tall, square, ebullient, white-haired Bohemian, who stalked the streets in his wide-brimmed artist's hat and huge, black cape, flourishing a walking stick and expounding on Amer-

ican art. Cook found the Washington Square Players too concerned with European playwrights. His own mission was the search for American dramatists.

In the summer of 1915 Cook and his wife, Susan Glaspell, staged a double bill of one-act plays in the living room of a rented bungalow at Provincetown, Massachusetts. Robert Edmond Jones of the Washington Square Players designed improvised sets for the plays: *Suppressed Desires,* which Miss Glaspell and Cook had written the winter before; and *Constancy* by Neith Boyce. Thus the Provincetown Players was founded.

It was not until the following summer that the group discovered Eugene O'Neill, living in quarters above a general store in Provincetown. O'Neill had brought with him a trunk full of plays, from which he brought out *Bound East for Cardiff.* It was the first of many O'Neill plays which were successfully produced by the Provincetown.

When the group moved to New York, into its front parlor quarters at 139 Macdougal Street in the Village, the players were carried forward by the momentum of enthusiasm they had generated in Provincetown. In 1917 they opened with O'Neill's *The Long Voyage Home,* and played O'Neill revivals from the previous season, together with plays by Susan Glaspell, Maxwell Bodenheim, and Floyd Dell. The longer, more complicated productions forced the group to seek a new playhouse. They settled at 133 Macdougal Alley, in a remodeled building which had been a storehouse, a bottling works, and a stable. There they became the first and best "little theatre" in the history of the American stage.

It seems certain that Otto Kahn attended the early Provincetown productions in the parlor at 139. But he withheld an offer of help until 1917, when, following a performance of *The Long Voyage Home,* he approached Jig Cook with a proposal for a large subsidy. Cook refused, believing that the artistic independence of the company would be violated if a single patron were permitted to join their closed circle.

He informed Kahn, however, that the group would be grateful for a rendezvous where they could discuss productions after re-

hearsals and performances. Kahn wrote a check which enabled the Provincetown to furnish a restaurant on the second floor of the theatre building. There Christine Ell, a cheerful red-headed woman whose husband was the stage carpenter for the Provincetown, cooked her sixty-cent dinners for the theatre personnel and patrons. (She and her husband both acted in Provincetown plays as well.) In addition to the first check, Kahn furnished a monthly subsidy of forty-five dollars to cover the rent of the second floor.

In September, 1918, Cook asked Kahn for "a chance to talk with you about this movement of ours before you answer our request for a contribution favorably or otherwise. . . . We are the only institution producing plays by American authors only. . . . We provide a place of experiment for perhaps some of our most worthwhile dramatists, who are at present not widely known."

Although Kahn protested that he feared there was little he could do, he asked Cook to come down to Kuhn, Loeb to talk to him about the Provincetown. It is not perfectly clear whether Kahn gave the group a large sum of money at this time. He did continue his forty-five dollars per month subsidy. (In 1919 it was decreased to forty dollars monthly.)

Through the Provincetown in these early years Kahn came to know the playwrights O'Neill and Gold and Bodenheim, Glaspell and Millay; the actors of the company, including Paul Robeson, whom Kahn later assisted in his struggle to become a singer; the designers whom he was later to sponsor in uptown ventures; Eleanor Fitzgerald, the company's business manager, and Jig Cook, its producer. Later, after the dissolution of the original Provincetown Company, they were almost all to seek his help in other projects.

After Jig Cook resigned, O'Neill served as a part of the Provincetown triumvirate, together with Kenneth Macgowan and Robert Edmond Jones. In 1924, Kahn subscribed $10,000 to the new enterprise, exactly ten days before the group produced O'Neill's *Desire Under the Elms*. Through 1924, 1925, and 1926, Kahn's notations concerning his loans and donations read: $5,000," "another $5,000," "$5,000 in December," "$5,000 in May," "$1,000

in October," "$1,000 in May." There is a record of an $11,000 note having been repaid on one occasion.

Kahn's underwriting aided the Provincetown group through ten years of successful play-giving, in two houses on Macdougal Street and later at the Greenwich Village Theatre on Sixth Avenue, where the group moved after its success with *Fashion,* a comedy of manners written in 1845 and rewritten in the twenties by Deems Taylor and Brian Hooker.

In 1924, Kahn was first offered a directorship in the Provincetown. He declined, in a letter to Kenneth Macgowan: "I fear I might be a disturbing element if I were to participate in the responsibility for direction," he said, on November 3. In answer to a later assertion that he had influenced the group, Kahn said: "I have extended financial support to the Provincetown Theatre Group, but I am taking no part in determining the management or influencing their artistic productions."

He permitted his protégés to spend his money as they wished, after he made it available to them. He was apprehensive about the play *Fiesta,* which the group put on at the uptown Garrick Theatre with $15,000 he gave them; but when it failed, he shrugged off the loss with a smile and told a New York critic that he wished he himself "could have written the panning" the critic gave it.

Only rarely did Kahn withhold his support, once he had endorsed a performing company or individual creative artist. One such occasion was the proposed production of O'Neill's *Lazarus Laughed* in 1926. The O'Neill-Macgowan correspondence, which is in the Kahn collection at Princeton University, documents the agonies of the playwright and the producer in bringing this work to the stage. Kahn sent a check for $5,000 toward the company's expenses, but refused to back that particular play. It was the only O'Neill work between *The Long Voyage Home* and *The Great God Brown* to which he did not lend his help.

With the split of the old Provincetown group in 1925, Kahn found himself supporting two factions: the O'Neill-Macgowan company at the Greenwich Village, and the Eleanor Fitzgerald group, which remained in residence at the old Provincetown. At

the latter theatre, he aided Miss Fitzgerald and several of her playwrights, among them Virgil Geddes, who was acclaimed as "the future O'Neill" by some hopeful New York critics. George Cram Cook, too, sought his financial backing after the Provincetown group divided, for the play *The Spring,* which he produced uptown.

The handful of Villagers who remember Kahn are unanimous in their recollection of him as "simple, unostentatious man, kind and sympathetic and always friendly." He would climb to a fifth-floor walkup apartment without protest, sit down to a thin stew and a bottle of coarse red wine, and listen to radical tirades and schemes for the theatre. "You never would have known that he had two nickels to rub together," said one radical of the twenties.

Amassed evidence indicates that Kahn extended financial help to several thousand people during his life, and that he was as likely to help an elderly broker as a young soprano. He did in fact help more men than women during his lifetime; the largest amount Kahn ever gave to a singer was $25,000; to various theatrical groups he gave sums ranging from $1,000 to $100,000. But over many years he gave more than $1,000,000 to a bumbling, ineffectual Wall Street colleague. The entire sum was transferred in "Loans," which Kahn refused to press for collection.

To preserve the pride of those he helped, Kahn always termed his gifts "loans," but his papers are records covering millions of dollars which Kahn gave away. These records exist in the form of memoranda from Kahn's secretaries: "Check for $5,000 sent, but no collateral. Shall we ask for collateral?" Kahn: "No, O.H.K." Secretary: "No collateral, no note." Kahn: "O.K., O.H.K." Secretary: Note due. Shall we collect." Kahn: "No. O.H.K." Secretary: "Note past due. Shall we sue?" Kahn: "No. O.H.K."

The draught which Kahn imbibed from his protégés was youth. He felt that their own fervor kept him young. It was his miraculous fountain, he said. He admitted that he had paid millions of dollars to drink from it. But, he would say, "I have this money, and it must be given away." And he would repeat, again and

again, "I must atone for my wealth," as if, in his eyes, it was a sin to be rich.

Kahn's concern was not limited to those full of promise and evidently on the threshold of success. There is not one shred of evidence to indicate that he ever gave money away with a thought for return—either of the money itself or of prestige which might attach to him for having given it. He often helped derelicts and creative people who were obviously lacking in genius. A remarkable incident of his life concerns the daughter of one of his colleagues in business. She had run away from an irate father with a penniless young lover, whom her parents had refused her permission to marry. Stranded in a dingy tenement in Chicago, she wrote to Kahn. She had realized a lifelong ambition by taking a position in a children's sanitarium, she said. "But my wages are small, our clothes threadbare; and often we have not enough to eat."

A large check from Kahn reached her by return mail, together with a long, gentle letter:

"To work, to be useful and to love," Kahn wrote, "is a pretty complete fulfillment of life's potentialities. I congratulate you on it."

He continued to aid the couple, who eventually married. Ultimately he effected a reconciliation between the girl and her father.

When the press and friends asked Kahn about his enormous benefactions, he replied simply that "It is a sin to keep money idle." He earned, spent, and gave; earned, spent, and gave. This was the rhythm of his life.

Yet he taught his own children thrift. He opened bank accounts for them before they turned twelve. His own example would scarcely have inspired parsimony in others; yet Kahn was highly critical of extravagance. "You will have to learn to adjust your way of living to match your income," he wrote to his sister, whom he supported. A more distant relative received the following stern admonition:

"I do not see how you can afford, under your present financial circumstances, to tender a dinner to the Bolivian minister in

Washington; and, this being the case, I would not attend such a dinner."

Organizations which thought that Kahn threw money away heedlessly were often disappointed to find him as shrewd as a miser. When the American Legion wrote asking for a second contribution of fifty dollars in one calendar year, Kahn refused, reminding them sharply that the letter soliciting funds had "featured in prominent type the words: WE CALL ON YOU BUT ONCE A YEAR."

The Pennsylvania Railroad found itself called to account often for charges of $1.17 or $2.50 on bills amounting to thousands of dollars, covering Kahn's cross-country trips by private railroad car or private train. The man who could order the engineer to stop the train so that his guests could get out and view the Rockies was perfectly capable of refusing to pay a $1.00 bar charge which he had not incurred.

In his running battles with public utilities companies, Kahn often wrote twelve or more letters relating to the adjustment of one or two dollars on his electric bills. Whether in Morristown or New York or Cold Spring Harbor, the sequence of the correspondence never varied. Kahn would first call the company's attention to the overcharge. In subsequent notes he would declare that the meter reader was incompetent; that the meter was out of order; that if the reading were correct, then the rates were too high; finally that the excessively high rates were a direct result of gross mismanagement of the company, which obviously needed to be reorganized. Invariably the company surrendered, but only after Kahn had run the full gamut of the game.

The assistance which Kahn gave to the arts and artists came from a "creative urge," according to the one-time anarchist and long-time radical, Michael Gold. "He was not just an art patron, but a frustrated artist." This analysis from the radical Gold constituted an acknowledgment of the extreme range of Kahn's interest and encouragement.

About 1926, Gold, who was editor of the *New Masses* and a writer for *The Daily Worker* reached Kahn through his plays

Fiesta and *Hoboken Blues*. After a literary agent had shown Kahn the pieces, a meeting between the financier and the writer of the Left resulted. The two men found each other congenial. The banker surprised Gold by his "youthful and progressive spirit." Gold writes of that initial meeting, when they walked together on Fifth Avenue with Kahn's dachshunds, that Kahn proposed to him a theatre for young progressive writers, saying, "The Theatre Guild has become a bourgeois mausoleum, no longer a power of the young."

The two men devised a plan for a new theatrical enterprise. The following day, over lunch at the Bankers Club (where Gold remembers his host's lunch as rye crackers and yogurt) they called it the New Playwrights Theatre, with Kahn underwriting the venture with a series of grants, which eventually amounted to more than fifty thousand dollars. Michael Gold, Emjo Basshe (whom Kahn also aided personally), John Howard Lawson, John Dos Passos and Francis Faragoh produced eight consecutive failures in two years. Both public and press were cool to the Marxist drama; and internal dissension when joined with the reaction of the audiences finally destroyed the "revolting playwrights," as Woollcott called them. The protest of the authors on the social structure and the reception of the protest by Kahn, whom they called "The Emperor," was considerably in advance of that of either the public or the professionals in the theatre at that time.

Kahn's interest in the creative artists of the Left was not limited to playwrights. In the same period, the late 1920's, he assisted Dorothy Day, long the chief figure in the Catholic Worker movement. He not only gave money, but he visited and enjoyed the company of these protégés. "Don't mind the smell of the fish store downstairs," they said, as he would arrive for dinner with his contribution—two bottles of champagne—under his arm.

Although he was a regular subscriber to Gold's *New Masses* (Gold had written Kahn that he "hoped that the butler was able to withstand the monthly shock of delivering 'our scandalous sheet' to your hands"), he always held that there was a "sharp and distinct line of demarcation between a man's artistic capacities

and his political views and endeavors." He defended a man's right to his beliefs in both fields. To Gold, with whom he enjoyed a highly satisfying relationship, he said: "You may be a socialist, but I don't mind, as long as you are faithful to art."

Kahn discussed "the relation of capital and living literature" with Ezra Pound, in correspondence. The subject, he said, was "too big and too complex." However, Pound wrote at length in 1931 and 1932 to Kahn, expounding his violently indignant views on American civilization and the creative man in his struggle to survive in a hostile world.

In addition to the larger theatrical groups, those in which Kahn became personally interested and those whose fortunes he intimately shared, a long list of more modest operations also received his support, in varying degrees.

Many of Christopher Morley's enterprises benefited from Kahn's admiration for their founder; among them was the Rialto Theatre in Hoboken. In 1927, he and his close friend Horace Liveright, through whom Kahn knew Theodore Dreiser, underwrote the Osceola Players. In this same period, at the request of Brooks Atkinson, who attracted Kahn's attention to the venture, he aided the Lenox Hill Players, who performed Elmer Rice's *Subway* and Irving Stone's *Dark Mirror* at the Cherry Lane. In 1928 his assistance was extended to the Macdougal Street Players, who worked in the abandoned Provincetown Theatre, giving Strindberg's *The Pelican,* among other works. The play, in which Kahn had a direct interest, had the longest run of any of Strindberg's plays ever presented in America.

He invested and lost in enterprises whose names he did not even know. On one occasion he lost more than $100,000 in a Broadway play. After the money was gone, he realized that he had never learned its title. "The play *must* have a name, of course," he wrote in a memorandum to his secretary. "Please find out from the producer what its name was."

In bridge and golf he was sometimes a poor loser, throwing his clubs on the ground and walking off the links, or his cards into the air and leaving the table, when things went against him,

but in the theatre he lost money cheerfully and never complained.

Eva Le Gallienne's Civic Repertory Theatre owed its existence in part to Kahn's generosity; so also did Jasper Deeter's Hedgerow Theatre, The Stagers, and the Bulgakov Theatre at the Waldorf. Often a brief moment of relaxation in the theatre was his only repayment. At a bad play he would stalk out, muttering imprecations about the playwright, the actors, and the producer, his huge black cape swirling from his shoulders. Whether he was extending his support to a Gershwin or to an unknown producer working in a living-room stage in the Village, Kahn felt that in the very act of giving, he had been repaid.

Bohemia had its shepherd in Kahn, who even went so far as to finance in Greenwich Village three artists' residence buildings, where struggling creative people in all fields of the arts were able to rent decent cheap living quarters. He harbored in his heart a genuine affection for Bohemians; the most radical, the most erratic, the wildest of them were accepted unquestioningly. Kahn understood them. He encouraged them in the expression of their art. His court was far broader than that of a Medici prince, his affection far more subtle than that of a Gonzaga lord. All the world knew him; and he knew all the world.

As he grew older, art became the ever-recurring burden of Kahn's thought. But, as *The New Yorker* pointed out in its 1926 profile of Kahn, the art which shaped Kahn was the art not of ideas, but of life. "The hands are rather chubby. What grasp have they of 'ideas'? If you examine these hands while he is talking, he will instinctively hide them in his pockets. There is in his smile a kind of pleading—for what? in his firm eyes a modesty—toward whom? But no, his subject grips him. It is 'ideas' no longer. He talks of life. The boy hands clench, the body is harder. The open face loses its genial and generous inquiry—becomes sensual, ruthless."

Self-realization was, to Kahn, the sole reason for living. "Vivid life," he said, on his sixtieth birthday. "The great adventure of living." Life that thrills, exhilarates.

"Kahn blows like a zephyr through the canyon of Wall Street,"

The New Yorker wrote. "The world is a delirium of electric blares: Kahn's eyes twinkle. The world is a holocaust of dying civilizations, dead millions: Kahn knows not of death; he is a happy lover, lyrical and unattached."

He was canny and sentimental, sensuous and playful, shrewd and immature, with a boyish face and schoolboy enthusiasm.

"I feel as young as when I was twenty-five," he said. "I hope I am not much wiser." In a certain sense, he was not; for wisdom had come to him early. His wisdom was "Live life. Love beauty. Be happy." To *The New Yorker* he was "fate, for once smiling and having a whale of a time."

He often quoted Walter Pater's *The Renaissance,* especially this passage:

"We have an interval, and then our place knows us no more. . . . Our one chance lies in expanding that interval, in getting as many pulsations as possible into the given time."

Pater's "quickened, multiplied consciousness" (Kahn's favorite phrase) was Kahn's mode of life, as he followed Pater's admonition to cultivate beauty.

"I love anything that is beautiful," he exclaimed. "A beautiful building thrills me, a beautiful painting, a beautiful statue or a book, a beautiful meal, a beautiful woman."

Kahn's love for people was made manifest not only in his gifts. It was reflected also in his daily life. He often took the subway to William and Wall streets, his "daily bath in the populous current," because he enjoyed the feeling of humanity surging against him, past him. He moved constantly through crowds at parties and in theatres, drawing life from the living. "He is in touch with the romantic, ribald anarchists of art. Perhaps they make pictures and music no one understands: at least they're *alive,*" wrote *The New Yorker.*

A "subtle, dynamic nostalgia" drove him into the very circles from which his technical banker's mind would otherwise have barred him. There he found the life-source which made him go.

"Sociable, he is alone—a contented atom moving through endless provisional combinations. Replete with experience, he is a child at sixty—avid and naïve. Cannily sure of himself, he is

cautious and timid. Delicate in manner, his face reveals the force of his will." These were the paradoxes of Kahn's outward appearance. But within himself he was Pater's man, counting the pulse of life, feasting on beauty, and mastering the infinitely complex yet eternally simple rules of the game of living.

PART IV

Politics, Economics, and International Affairs

12

Otto Kahn and Theodore Roosevelt

McKINLEY'S ASSASSINATION brought Theodore Roosevelt to the White House in the year of the Northern Pacific panic and the founding of the Northern Securities Company. "That damned cowboy is President of the United States," Mark Hanna moaned when he heard the news. Not even he imagined how swiftly Roosevelt would turn on Wall Street.

The new President's Attorney General launched his prosecution of the Northern Securities Company in February, 1902, revivifying the Sherman Act. An adverse decision was, in fact, finally handed down, and the company was dissolved. But Kahn's thirty-seven-year adventure with the American railroads yielded unexpected fruit in his support of Theodore Roosevelt, for whom Wall Street had for years harbored only dislike. Kahn had come to believe very early in his career that some government regulation of corporations was a necessity, in this, as in many other ways, being far ahead of his times. A man holding conspicuous financial power is a legitimate object of public scrutiny, he declared to an editor of *Collier's* in February, 1911. Regulation and supervision, based upon experience and deliberation are right, he said. The rich must guard against the insidious tendency of wealth to harden them and isolate them from those who were not wealthy. They must remember that the social edifice, in which they occupy the most desirable quarters, has been erected by human hands.

"The Bourbons of corporate finance have no place in the present

scheme of things," he said in 1910, two years before Morgan was to be called before the Pujo Committee. It was a lesson Morgan never learned. The changes wrought in the very foundations of finance bewildered him, as he brooded resentfully over antitrust suits and attacks which seemed to him patently unjust. Kahn's view, expressed in *Collier's,* that the public ought to establish restraints on economic power, sounded like brassy heresy. Kahn marched in the front ranks of the "enlightened self-interest" school, in 1910 and 1911 almost alone, in Wall Street, for George W. Perkins, who shared some of his views on government control and, like Kahn, supported Roosevelt, had left his post at Morgan's in 1910 to preach his theories wherever he could capture an audience. By 1912 Kahn was acclaimed by the *Wall Street Journal* as the foremost champion of better understanding between business and government.

Such declarations as his were blasphemy before 1912, if one were a banker, expecting to make a living in finance. Kahn had shown in his personal life and in his loyalty to Harriman through 1907 that he was not afraid of censure. But his views on government regulation of business proved that he had more than ordinary courage. The "Bourbons of corporate finance" against whom he railed were the men he saw every day, lunched with at the Bankers' Club and met socially at night.

When he began to agitate quietly for Theodore Roosevelt, he never harangued. He explained, slowly and carefully. But most Wall Street bankers felt that he had wheeled the Trojan horse right into their yard.

"Support Roosevelt?" they cried. "Kahn must be mad." Roosevelt's worst enemies were in corporate finance. His very name was anathema to bankers and executives. Even Jacob Schiff, who had voted the Republican ticket for forty years, came out for Wilson. "That rabid heretic," exclaimed a Morgan partner. "We would do anything to get rid of him once and for all."

Kahn was not discouraged. He pointed out that Roosevelt could give the country prosperity, assist the railroads by appealing to the people on their behalf, and promote enterprise. Throughout the months of his campaign for Roosevelt, he remained anony-

mous. "A wonderfully capable man" was waging a campaign, one publication said. In another article he was "a dark-eyed little banker," still unnamed. "An important banking element," said a third.

It was not until Wall Street capitulated and came out for Roosevelt in June, 1912, that Kahn was identified as the force behind the campaign. His "growing power and influence" had won over even J. P. Morgan & Company, said the *Wall Street Journal.* It traced his advanced view to the lessons he had learned from the Union Pacific investigation of 1907, but they were mistaken by forty years in fixing the date. His liberalism was inborn, as much a part of his being as music or reading. It was the bequest of his father, the Mannheim revolutionary of 1848, and of the Rhineland itself.

Roosevelt appealed to Kahn in many ways: his sportsmanship and his sense of fair play, his concern for public welfare, and most of all his personal example, what Kahn called his "constant preaching that wealth in and of itself is not the chief aim of living."

Kahn, a disciple of Carlyle, was by nature attracted to greatness. When the Englishman, John Morley, named Roosevelt and Niagara Falls as the two most remarkable phenomena in America, he recognized in Roosevelt the qualities Kahn saw. Roosevelt's energy alone would have been enough to win Kahn to his side, for he possesed the same inexhaustible reserves that had driven Harriman hard through life. Like Kahn, Roosevelt was fundamentally conservative, yet capable of great flexibility. He was a leader. He was fearless and ferociously independent. He was an omnivorous reader. He had limitless curiosity, a fine zest for life, a boyish youthfulness, and a bursting enthusiasm which exactly matched that of his Wall-Street admirer. Throughout the Progressive campaign Kahn saw in Roosevelt's dogged determination a spirit reminiscent of Harriman.

"What reasoning induced you to accept the Progressive nomination in 1912?" he asked Roosevelt three years after his defeat.

"I had no illusions as to winning," Roosevelt replied. "I realized that it would put me out of the running in 1916 and, probably,

forever. Moreover, my action in running against the Republican ticket meant breaking close friendships and intimate affiliations of a lifetime. And furthermore I saw quite clearly that, even if by a miracle, the inconceivable contingency of my election should come true, many of those most enthusiastically for me during the campaign would soon accuse and turn against me because as President I would not and could not perform some of the things they expected of me."

"Well, then," said Kahn, "what did induce you to run?"

Roosevelt shoved his head forward with a characteristic gesture.

"If a man does a thing which he discerns clearly to be against his interest, if he accepts the burden, strain and bitterness of a fight, at the end of which he sees discomfiture, defeat and a lasting disability, if he leads a forlorn hope, if he spends himself in an undertaking which, almost certainly can yield him no reward but rather will bring harm, loss and disservice . . . he is actuated by a compelling sense of what his duty, his conscience and his station compel him to do, irrespective of the consequences to him. . . .

"The millions who had voted for me in the primaries . . . looked to me as their leader. I had accepted the prerogatives and duties of leadership. . . . In loyalty, honor and duty there was nothing for me to do but. . . make the race with all my might, regardless of present or future consequence to myself."

Kahn and Roosevelt remained close friends, although they were never intimates. When the banker selected land on which to build his country house, it was at Cold Spring Harbor, Long Island, two miles from the Roosevelt house at Sagamore Hill.

At luncheon or dinner they exchanged opinions on the war, problems involving the foreign-born, war profiteering, and taxation. On the evening before Kahn's sailing on his wartime trip to Europe in 1918, the two men spent several hours together discussing the international situation.

Each recognized in the other a proponent of gradual shift toward enlightened policy in business and in government. They shared an interest in all business, whether big or little, and shared

the hope that businessmen would develop sound, farsighted attitudes. They shared the conviction that if the financial titans had been permitted to continue unbridled, a radical revolution would have been the inevitable result.

Kahn once suggested that Roosevelt might not have antagonized Wall Street so thoroughly if he had not been so violently denunciatory in his addresses, citing 1907 as a specific year.

"If my actions were called for, as you are inclined generally to agree, my speeches were a necessary prerequisite or concomitant. I had to wake people up and, what is more, keep them awake. For many years Wall Street and Big Business and their allies had 'doped' the people and got away with things while the masses slept. If you want to wake up a hundred million people, you've got to make a big and resounding noise and you've got to keep that up for a while, lest they turn around and go to sleep again. . . . You've got to iterate and reiterate and emphasize and drive home, until you pretty well weary of the very sound of your own voice."

Roosevelt often sought Kahn's opinions on various problems. Six months before the President's death, he called Kahn to him at the Harvard Club to go over a speech which he was to deliver a week later. Kahn read the manuscript, concentrating, at Roosevelt's request, on the sections on economics. He found himself generally in agreement with the other's views, but took exception to the drastic inheritance tax Roosevelt proposed, pointing out what he considered the harm of a tax which would take, in some cases, the larger part of an estate. They argued the question for some time, for Roosevelt stood firm on his plan. Finally he exclaimed,

"You win on points! I don't know that you are altogether right, but you are more nearly right than I. Send me a memorandum of what you would say, if you were in my place, and I shall consider how nearly I can bring my views in accord with the principles and conclusions you advocate."

Kahn was gratified to learn that the final draft of the speech expressed views which, though not Kahn's own, were very moderate and far removed from Roosevelt's original stand.

Kahn hoped, although Roosevelt considered his political career closed, that he would run again in 1920.

"If the Democrats could see you lift and throw those logs, 1920 might not look so good to them," he said to Roosevelt in 1918.

Roosevelt's death one year later affected him deeply. "I am shocked and grieved beyond expression," he wrote to Mrs. Roosevelt. "The greatest man of his generation, the most truly and widely beloved and revered, gone before his time and at a moment when his genius and personality were needed more than ever before and the people were preparing to call him once more to the highest function of leadership. It is a tragedy and an irreparable loss."

Kahn rarely grieved so deeply. But Roosevelt's death meant the end of an age. With Roosevelt, a part of Otto Kahn also died.

13

Venture in England

In spite of his considerable success, Otto Kahn had begun, by 1911, to feel restless in his niche in America.

He had come to New York in the midst of the panic of 1893 and had learned at first hand what crashes meant in the American economy. When a second panic struck in 1901 and a third in 1907, it is fair to assume that he might well have considered the possibility of returning to London. *The New York Times* of February 14, 1912, reported that it had been whispered for two years with increasing insistence that Otto Kahn would withdraw from the American banking scene. The rumors were discounted by his associates in Wall Street. At forty-four, Kahn was considered by financial experts the virtual, if not nominal, head of the second largest private banking house in America. He was certain to rise even higher in the hierarchy of the Street, for three of the old financial titans were dead, two were ill, and the rest were in their late sixties and seventies. Naming Harriman, Gates, Rogers, Keene, the elders Rockefeller and Morgan, Ryan, Widener, Elkins, Carnegie, Baker, Stillman, and Frick among those financiers who were, for one reason or another, no longer active, a Chicago publication observed that Otto Kahn was "The one exceptional figure who looms larger year by year."

The *Wall Street Journal* of March 15, 1911, wrote:

"Otto H. Kahn is more talked of than any other man of his age on Wall Street, and perhaps it might be said with equal truth that he is more spoken of at the present time than any other man

of either the younger or the older generation of American financiers. . . . The Street now regards him as a financier of the first rank."

Nor was his renown limited to New York. In August, 1911, a Boston paper wrote that Kahn's name and the name of Kuhn, Loeb had been synonymous for some time, because Jacob Schiff had been head of the firm "in nominal capacity only." The burden of the firm's activities, therefore, had fallen on Kahn, and much of the credit for its achievements belonged rightfully to him.

Yet he was not content. Among other considerations there were two specific factors in his weighing the possibility of returning to London. One was his wife's desire to move. She had hoped for many years that they could live abroad, preferably in England. She had won from her husband the promise that he would establish residence in London before he was forty. The other was a recurring desire to seek a career in government.

This would have been impossible in the United States at that time, for he was not yet an American citizen. But in England he might possibly succeed. He decided to talk the matter over with Sir Max Aitken, later Lord Beaverbrook, whom he had known for four years.

The two had met in New York in 1907, when the attorney, Paul Cravath, had introduced them. Beaverbrook was at that time still living in Canada. The two men had much in common. Both were dynamic, similar in stature, wit, and acuteness of mind. They were instantly attracted to each other and became close friends. Kahn once named Beaverbrook and Harriman as the two greatest men he had met in his life.

Kahn was keenly aware of Beaverbrook's own meteoric rise in British politics. He had been adopted as a candidate by the Conservatives at Ashton-Under-Lyne just ten days before the 1910 election in which he defeated one of the strongest Radical candidates in the North. He had sat in Commons only a brief twelve months when knighthood was conferred on him.

In the summer of 1911, during a four-months' trip to Europe with his family, Kahn turned for advice to this close friend who

enthusiastically urged him to come to England. He had only recently made the move himself and was especially delighted with life in the capital. He introduced the financier to several powerful Conservatives, who begged him not only to return to England but to run for Parliament as well.

"See here," one of them wrote him in July, "won't you make up your mind to throw in your lot and your children's children's with once-Merrie England? We must make her merry again. I can see where the Tories are all wrong and where the Socialists are at fault and where the Radicals are rotten; and it is our business to undermine the House of Commons as it now is. We can get together the elements of a very strong Party. Presently, with a safe seat, you will be Chancellor of the Exchequer! You are young enough, as is not often the case. Your preparation has been such as to fill your storage batteries with the needs for a public career. That is the worthwhile of wealth and leisure."

Kahn was delighted. A new life in a country which he, a British subject, loved—the appeal was very strong. Yet he loved New York and the United States also, and he was reluctant to leave. Finally, as he thought, he made his decision. He would move. In the later summer he returned to New York to put his affairs in order.

He made no public announcement of his plans. Docking in New York, he told reporters that "with all this country's legislative and other follies, it has the best government to be found." He did not mention the fact that the nabobs of the Conservative Unionist group had offered him the constituency of Gorton, in Lancaster, and had assured him that higher offices lay just beyond.

On December 2 Kahn cabled Beaverbrook that he had concluded that he must follow his "example and advice," but he asked Beaverbrook to keep his decision confidential. Four days later he wrote Beaverbrook a longer letter, partly dictated, partly written in longhand, expressing his hope that they might work together and continue their warm personal relationship, adding that he felt the times politically propitious, since the tide seemed to be turning toward the Unionists and away from the Radicals.

He set July 1, 1912, as the date on which he and his family would leave the United States permanently. He made plans to enter his sons in Winchester. Gilbert was eight at the time; Roger was four.

Writing to Andrew Bonar Law, who would later become Prime Minister, Kahn congratulated him on his election as Leader of the Unionist party in the House of Commons. His stand on tariff reform especially attracted Kahn, whose interest in taxes, tariffs, and free trade dated back more than fifteen years. Bonar Law's plan for a moderate, scientific, protective tariff seemed to Kahn strongly indicated if Great Britain's fiscal policy was to be brought into line with altered world economic conditions. He sent Bonar Law a little discourse on tariff reform and "Utopian vagaries and destructive demagogy."

Two weeks later he wrote Bonar Law a personal note, informing him that he soon expected to serve the Conservative party as an active member.

A trip to London in January, 1912, served two purposes: it strengthened in his mind his determination to move; and it reassured those skeptics in the Conservative Association who were not wholeheartedly enthusiastic about the American millionaire, but who seem to have been won over to him as soon as they came to know him even casually.

He began to investigate the London real estate market, approaching several realtors with his needs: a house with suitable living quarters for a family of six, with quarters for fifteen servants. Immediately rumors flew. Kahn was leaving America.

But he refused to confirm the report. His evasiveness may have been the result of an inner conviction that he would never leave New York. Perhaps he had second thoughts about his decision to run for Parliament, for during the first month of 1912 he was the target of several anti-Semitic newspaper attacks, clippings of which he sent to Beaverbrook together with a hint of his apprehensions.

"It is no mean position that I shall have to give up, and if now that you have got to know me better and have seen me from close by, you doubt whether I should be able to make a real and

thoroughly satisfying success in British politics, I should be grateful indeed if you would tell me so very frankly," Kahn wrote.

His friend reassured him and added that the newspaper clippings Kahn had sent were nothing at all compared with those which the British press occasionally directed at Beaverbrook himself. He also offered the political tyro a glimpse of the future: "You can make up your mind that you will have plenty of newspaper notices of this nature." Beaverbrook declared firmly that anti-Semitism, over which Kahn was disturbed, need not be a matter of concern.

"I am quite sure that the Jewish members of the House of Commons will bear me out on this," he wrote Kahn in February. "[Your] German origin will not do any real harm. There are ten members in the House of Commons born and educated in Germany. England is a tolerant country. Intolerance will only make you political friends."

In a subsequent letter, Andrew Steel-Maitland of the Conservative central office expressed his satisfaction over Kahn's projected move.

"Up till just recently it has been the general idea that only those who had some family or aristocratic connections in England could hope to succeed on the Unionist side. I think, speaking confidentially, that there probably was a good deal of truth in this formerly, though no doubt exaggerated like many other vague and general statements. Now, however, things are so changing that I think you are fortunate in the moment in which you think of coming into English politics," Steel-Maitland wrote, adding that both he and Bonar Law could be counted among the men who had emerged as successful Conservatives since 1906. Although Steel-Maitland and other men of the Party considered him certain to be a candidate, Kahn had not in fact accepted the nomination.

On February 14, 1912, the date of Kahn's return to the United States, *The New York Times* printed a lead dispatch which had come from London on the Marconi Transatlantic Wireless with the news of Kahn's decision to move. "Within a year," the *Times* correspondent, quoting Kahn's friends, predicted that he would

enter politics. Either party, or any wing of either party, would welcome him. It was said that Kahn would in due time be offered a title.

His business associates refused to discuss his future plans. When the *Olympic* docked, Kahn refused to confirm or deny the report. "If I have decided to take my family and myself to London for good, I will not make public my intention now," Kahn said. To the questions of a reporter from the German paper, he glibly replied that the curiosity of the public would have to remain unsatisfied. (Six months before he had laughed at the rumor. "Not worth denying," he had said, "and the less said about it the better.") Nevertheless, the *World* printed Kahn's photograph with the caption, "Financier who will return to England and enter politics."

Viewed from New York in March, the entire plan seemed less promising than it had in London a month earlier. Grave apprehensions filled Kahn with concern. His partners urged him to stay at Kuhn, Loeb.

When he hinted to Beaverbrook that he might remain in America after all, the latter hurriedly cabled that he could ill afford to withdraw at this point in the game. Kahn did not mention again at this time the possibility of withdrawing, although it remained in his mind.

During the entire spring and summer of 1912, Beaverbrook tutored Kahn in the intricacies of the English political system. He told him whom to write, whom not to write, whether to contribute or not, how to inform himself on questions of interest to his constituency, how to read a survey of the voters' list. At the same time he kept his political protégé abreast of Conservative Party progress and Bonar Law's growing popularity.

When Kahn agreed to return to England in August to discuss his candidacy with Bonar Law, Beaverbrook felt that Kahn was sure to run. Kahn applied for membership in the Constitutional Club and in the United Club, a group of young members of Parliament, barristers and candidates. He was presented to Bonar Law on October 16, at a dinner given by the Order of Westminster for that purpose.

On his return to England in the autumn of 1912, he was introduced to the constituents of Gorton by Beaverbrook, who was the Member from a community nearly adjacent. At the meeting, a dinner to celebrate the twenty-fifth anniversary of the opening of the Denton Conservative Club in Lancashire, Kahn was the principal speaker. He made a Tory address—rather too Tory, Beaverbrook thought—and was heartily received by the assembly. Amusingly, the audience mistook Kahn's German-accented English for the speech of a French-Canadian, believing him to be a Canadian because of his association with Beaverbrook.

At the end of his speech, applause resounded through the hall. Kahn turned his warm smile toward his constituents, gratified by the promise of triumph. Beaverbrook shared his confidence.

In London again, in February, 1913, Kahn willingly entered the round of Conservative suppers, banquets, dinners, and lectures. Supporting Bonar Law, he took part in the Tariff Reform League meetings and devoted free hours to reading publications on the English political situation. In private meetings he and his Conservative allies speculated on the coming election. Everyone believed that it would be a mere matter of months until Kahn would be in Parliament.

The London correspondent of *The New York Times* reported that Kahn had made three addresses to his constituents, making a "strong impression" everywhere. "His style of oratory was distinctly to the liking of the Lancashire people. He has none of that theatrical style usual in the professional politician. Both his platform and his private style are of the argumentative kind, which the hard-headed Lancastrian prefers. He discusses the issue pro and con and deals comprehensively with the topics before the country. Moreover he makes friends by his unostentatious and genial manner."

The *Times* reporter went on to quote a local Conservative leader who found in him "one of the sincerest democrats I ever saw." He impressed his constituents with his courtesy and gentleness, for they had expected an arrogant, rapacious American tycoon. "He seems to forget he has a bank account, except when a charity request comes along," they observed.

Kahn had, in fact, enrolled in several Lancashire clubs and had contributed generously (but not ostentatiously) to charities, churches, and bazaars. He donated a huge silver cup as a swimming trophy, after he learned that swimming was the preferred sport in the neighborhood. He was the host at eight dinner parties for workers of the district. Large contributions bolstered the local Conservative Club treasury.

Gorton, near Beaverbrook's constituency of Ashland, was one of the largest electoral districts in England, comprising at that time 19,000 voters on the Parliamentary register. Kahn's reputation had proceeded him there. Yet his money, his social position and fame as a Maecenas meant less to Gorton voters than his devotion to the liberal democratic ideal and his insistence on boosting British commerce by the establishment of a tariff system. They rejoiced, too, at his enthusiasm for his task. The man whom Gorton had elected to represent the district in the seven years prior to Kahn's arrival on the scene was a trade union Socialist leader, John Hodge, who condescended to visit his constituency only once or twice a year, addressing the voters with a thick Scotch burr. The Conservative women of the Gorton division were especially attracted to Kahn. His piquant accent and courtly manners won a large group of feminine admirers who swung into the fight as a group and worked energetically for him.

"It is confidently expected that Kahn will be returned to Parliament at the next general election," the *Times* man wired. A Conservative leader, praising his double platform of fiscal policy revision and social reform, proclaimed that he was "obsessed with the desire to end his days in the field of English politics, emancipating the workers." So it seemed to everyone in February of 1913.

House-hunting in London in 1912, Kahn had first considered Stafford House, which belonged to the Duke of Sutherland. When it appeared unsuitable, he inspected an imposing building in Carleton House Terrace near the William Waldorf Astors and the German Embassy. It would be adequate to his family's needs, if a third floor could be added to bring the number of bedrooms to thirteen and servants' rooms to fifteen.

He cabled a tentative figure which the owner accepted as a firm offer. Kahn was thunderstruck. Had the owner misunderstood his cable? His offer had been conditional on the possibility of the third-floor addition being constructed. When he was informed that zoning regulations of Carleton House Terrace made the remodeling impossible, Kahn considered his offer withdrawn and the affair closed.

A letter from the owner, virtually accusing Kahn of going back on his word, dismayed and angered him. He reexamined his own cable, which seemed clear enough, then sent it along to his lawyers. They agreed that he had most certainly not made a firm offer for the house in Carleton House Terrace.

What followed is pure Kahn. Having ascertained the correctness of his own position, having learned that that position was unassailable, he cabled the owner this information, then added that in spite of these facts, he would buy the property and that he considered the deal closed.

"I would much rather be burdened with a house I cannot use than rest under the imputation of attempting to evade a moral commitment," he wrote. Later Kahn resold at a loss.

In 1913 he found "a house no man could resist," the splendid Regency mansion, St. Dunstan's. This handsome house had become something of an English landmark, for it was the home of Lord Hereford, the prototype of Lord Steyne of Thackeray's *Vanity Fair.*

The house, which had been built by the "wicked Marquess" of Hereford, was situated amid fourteen acres of gardens in Regent's Park. Its great, airy rooms and the gracious Regency design won over the Kahns so completely that they began negotiations to obtain it immediately after their first visit there.

In 1912 it was held by the Earl of Londesborough, who had leased it to Lord and Lady Tredegar. Kahn bought it in the early months of 1913; it was vacated on the fifteenth of August. He did not suspect it then, but he had acquired a property which would make his name as a philanthropist known throughout the English-speaking world.

Minor repairs were completed. St. Dunstan's was furnished

and lived in briefly. Then, unexpectedly, Kahn decided to give up his English parliamentary adventure.

No one knows yet why he decided not to stand, although the best explanation is that he became disgusted with internecine party struggles in Gorton. In August, 1913, an incredulous Beaverbrook wrote: "My last word from you was that you had determined to make your home in England, but I observe that you are about to erect a residence on Fifth Avenue. Does this mean that your decision is changed?"

Kahn replied that his affairs could not be arranged to permit him to leave New York at that time. He wrote directly to the Gorton Conservative Association, and to the head of the British Conservative Association, withdrawing as a candidate. He simultaneously announced his decision in *The New York Times* on October 17, 1913.

Beaverbrook was bitterly disappointed, for he genuinely liked Kahn and had looked forward to welcoming him into Parliament. Bonar Law, Steel-Maitland, and other high-ranking Conservatives felt that they had lost the possible support of a powerful, brilliant world-famous figure. And Mr. Pollitt, the local Conservative chairman in Gorton flatly refused to accept the fact of Kahn's decision.

"You are bound to be a candidate, whether you live in London or New York," he declared, exhorting Kahn to stand even if from Wall Street and upper Fifth Avenue.

Beaverbrook counseled Kahn not to give up so long as there remained the slightest chance that he might some day run.

"Inform Kahn that this step is the only method of realizing his highest ambition," one highly placed Conservative urged Beaverbrook. But not all of them together could prevail upon him to change his mind.

When Beaverbrook wrote Kahn sadly that "the Gorton matter is all cleaned up and you are relieved from your obligations," a door in Kahn's life had closed irrevocably behind him.

When he announced his decision to remain in America, he proffered a simple explanation. He said that he was so occupied with banking that he had no time to devote to politics. In later

years he said that he had put down roots in America so deep that he could not transplant himself when the moment came to make the break. But newspapers and associates could not accept these as the sole explanation. They advanced a score of theories. Schiff had counseled Kahn not to leave on the very eve of his ascendancy to the heights in finance, they said. Or perhaps his partners offered him a larger share of profits to tempt him to remain. He had been discouraged by the upsurge of anti-German sentiment, others said, adding that if Kahn thought he might not win, he would never consent to stand. The death of Morgan on March 27, 1913, constituted a challenge, for with the man dead who had been the king of American finance, Kuhn, Loeb might now push ahead of the House of Morgan. Close friends said merely that he loved America and decided he must stay on there. Others thought that he foresaw the approach of war and decided that because of his German ancestry, life in England would be difficult for him.

Kahn never again expressed any desire to live in England. He threw himself into the building of an Italian palazzo on Fifth Avenue and a French château on Long Island. Over the years, when men asked him why he did not seek public office, he proffered a stock reply: "What little I may be able to contribute to the public weal, I can accomplish better in my present role than as a public official."

14

World War I

NEWSPAPER EDITORS had sought Otto Kahn as an authority on European affairs as early as 1907, when the Chicago *Tribune* solicited from him an analysis of the English coal strike crisis for its columns. It was a moment of high tension. It was rumored that even Ambassador Whitelaw Reid feared an impending revolution. He declined to comment. Kahn's many English associations and his stature in America qualified him as an expert, but he modestly declined the designation, preferring to be called an observer in 1907 when interviewers reached him as he returned from four months abroad.

In a three-column article he expressed an optimistic view. England was merely in transition, he said. He declared that England's social and economic problems were precisely those that the United States would itself ultimately face. He predicted that the reforms effected would set a precedent and constitute a pattern which other nations would follow along the road to enlightenment. "The country is simply ahead of the rest of the world in having now to face the labor question in an acute form," he said.

In the same article he condemned the so-called "peaceful picketing" of 1907 and deplored the fact that labor union contracts could be abrogated on a whim. "A contract entered into by a labor union ought to be as enforceable as any other contract. A union ought to be held accountable for wrongful acts like any other organization." Yet he saw in the labor situation an issue which had to be dealt with in a "fair and liberal and progressive spirit

toward the workers." Here was the Kahn who would become an outspoken admirer and friend of Samuel Gompers. In an article written in 1918, he espoused labor's cause, praised its leaders, and urged businessmen to give labor "willing and liberal recognition as a partner with capital." He urged a decent living wage, some specifics for diminishing unemployment and providing for the "dread advent of sickness, incapacity and old age" for those whose limited means did not permit them to provide for themselves.

Long before the onset of the war Otto Kahn had perceived its imminence. Over the years from 1885 until the outbreak of war, through his contacts in Germany, his reading, and after leaving the country, his annual visits to his family and friends, he had observed the efficiency with which the Prussian governing class utilized every available agency for molding the German mind. Decrying the relentless persistence and profound cunning of the Junkers, he saw his homeland possessed gradually by a demoniacal, obsessive worship of power and a will toward world dominion. The German people were misled, corrupted, and systematically poisoned by the Prussian ruling caste, he said. Their very minds were perverted and their moral fiber rotted.

He had loathed the Prussian spirit from the days of his first youthful awareness. "I saw it ruthlessly pulling down the old Germany, which was dear to me, to which I was linked by ties of blood, fond memories and cherished sentiments," he said. From each of his visits to his homeland, he returned to the United States more appalled by what he called the "sinister transmutation" Prussianism had wrought in Germany and the menace he recognized in it to the entire world. Unparalleled prosperity and advanced social legislation had accompanied its advance. But, he said, in payment for its benefits Prussianism had claimed the soul of the whole race. Germany had made a pact with the devil. He regarded the Kaiser as the Emperor of the cult of force, but in Nietzsche he saw its high priest.

Kahn's familiarity with Schopenhauer's dark doctrines and Nietzsche's glorification of the "will to war, will to power and will to overpower" taught him to fear the results of his senseless destruction of established values. Nietzsche's *Zarathustra* was

written in 1883, *Beyond Good and Evil* in 1886, *The Genealogy of Morals* in 1887—years in which young Otto Kahn was reading voraciously every book at hand. As the philosopher's exaltation of force inflamed German youth, it nauseated Kahn.

The American public, mistakenly feeling safe behind the ocean wall of the Atlantic, was largely ignorant of both the philosophy behind German nationalism and the complex shiftings of European political power. When the war erupted in Europe in August, 1914, the barometer of American opinion registered astonishment, surprise, and disbelief. Most Americans thought the Kaiser was still "standing on his head," where Roosevelt said he had set him in 1906.

At Kuhn, Loeb, few were taken unaware. The partners' German origins and their contacts in England, France, and Germany had kept them so thoroughly informed on conditions abroad that the firm often commanded a better view of the field than some branches of the American government. In July, Jacob Schiff wrote to Israel Zangwill deploring the "terrible specter of a general European war." Fifteen months earlier he had addressed a prominent London figure urging the cause of peace.

The partners were united in their abhorrence of the war; but when it became fact, they immediately espoused the Allied cause. (Schiff alone, deploring Russian persecution of Jews, had reservations.) Their stand cost them heavily in personal sacrifice, for Schiff, Kahn, and Warburg all had nephews and cousins in the German forces. Schiff, the peacemaker, concentrated his whole effort on an early compromise. When he expressed his view that the ideal solution would be immediate cessation of hostilities rather than ultimate victory of either power, both Germans and Allies angrily attacked his point of view.

During these early months of war, Otto Kahn expressed his opinions in private correspondence, reserving public utterance for the day when his American citizenship would give him the right to speak. As a British subject living in the United States, a confirmed Anglophile, and an enemy of Prussianism, Kahn was emphatically pro-Ally.

His participation in the war was not confined to verbal exhor-

tations. In the autumn of 1914, he pressed upon Gatti-Casazza a plan to remove German operas from the Metropolitan Opera repertory for the duration of the war. The focus of his attention was the Wagner operas which he felt translated Nietzsche's *Ubermensch* philosophy into a language disturbingly understandable even to illiterates. Wagner thus became unacceptable to him, although his music had been Otto Kahn's first operatic love.

Having established his position at the Metropolitan, Kahn began to seek the means to turn his fortune to Allied causes. Before the end of 1914 he was donating to eight relief groups. The following year more than twenty organizations received amounts ranging from hundreds of dollars to twenty-five thousand. The complete list of relief groups he aided runs to several typewritten pages.

His particular sympathy for Italy shines from a letter to Arturo Toscanini, who in 1915 organized a series of performances for Italian war charities:

"Italy by waiting and trading could probably have obtained from Austria most of what she wanted without firing a shot. But with Latin idealism she preferred to take the path of danger and sacrifice to achieve the attainment of her national aspirations and throw her sword onto the scale on the side of humanity and liberty in this fateful and awful fight which is to determine the spirit which will prevail in the world."

To the French Minister of Fine Arts, he wrote:

"I have always loved France (what man of culture does not?) and I cannot find words to express my admiration for the wonderful spirit and conduct of the French people, for their heroism in action, as well as—alas!—in suffering, for their superb dignity, calm and determination. . . . It saddens me infinitely to think of all the noble French blood that is being spilled in this cruel war. It is the most precious blood in the world, for there is less of it than of the other great races; and humanity needs it more, I think, than that of any other race."

Unlike Jacob Schiff, who refrained as far as possible from discussing the war with anyone in Europe, Kahn did so at length in letters early in 1915 to his brother-in-law Felix Deutsch, an in-

dustrialist who, as head of one of the largest public utilities corporations in Germany, occupied a position of marked importance.

In the first letter of their correspondence, dated in March, 1915, Kahn expressed regret for Germany's declaration of war and assured Deutsch that America's sympathies lay with the Allies, because Germany was obviously guilty of both precipitating the war and raping Belgium. Deutsch's curt answer spurred Kahn to write a twenty-three-page letter in reply, condemning Prussianism for throwing "overboard everything that civilization and humanitarian progress of centuries has accomplished toward lessening the cruelty, the hatred and the sufferings engendered by war and toward protecting non-combatants from its terrors," and calling attention to "the violation of innocent Belgium, in defiance of solemn treaties, the unspeakable treatment inflicted on her people, the bombardment without warning of open places (which Germany was the first to practice), the destruction of great monuments of art which belong to all mankind, the *Lusitania* horror, the strewing of mines; the use of poison gases, causing death by torture or incurable disease; the taking of hostages,—these are the facts that the non-combatant nations charge against Germany. . . .

"Such words and ideas [as mine] are greeted with contempt and derision by your spokesmen and scornfully termed empty phrases and sentiment. If these are mere phrases, then the whole upward struggle of the world for endless years past has been founded on sentimentality."

He devoted several days to the composition of this letter. One week later he placed copies of the entire correspondence in the hands of a few men whom he recognized as Allied sympathizers and others who remained doggedly pro-German. Very shortly thereafter the original letter fell unexpectedly into the hands of the French government. In 1915 there was no official censorship between America and Germany, but the French had established a policy of checking letters sent to or from certain individuals or firms in both countries. So it happened that a French censor, in the routine execution of his duties, opened Otto Kahn's remarkable anti-German document. Twenty-three-page letters were as

rare then as they are now; and as the censor read, he became aware that he held in his hands something which his government might use.

He copied the letter, sent the original on to Deutsch and posted his copy to the French Minister of Information. Another copy was given to England; and the letter eventually found its way into nearly every foreign office in Europe. Government officials were familiar with it; but its existence was not revealed until early in 1917, when someone remarked at a gathering of prominent Frenchmen in Paris that Otto Kahn must be pro-German because of his German ancestry and German business connections.

"Not at all," said a French official who had seen the letter. "Quite the contrary is true." He then enlightened the group about Kahn's sympathies and summarized the letter, the contents of which Otto Kahn finally permitted *The New York Times* to publish in July, 1917.

The Deutsch correspondence defined his position as an Allied sympathizer at a moment when his firm's reputation was in jeopardy, as a result of an international incident which had grave repercussions in America and Europe for more than three years.

From the week of the outbreak of war in 1914, Kuhn, Loeb had refrained from financing either directly or indirectly any transactions for Germany or its allies. Yet Schiff's published letters to President Eliot of Harvard had been misunderstood by the public, who interpreted his hope for a negotiated peace as a stand for Germany. Consequently, the sympathies of Schiff's firm were generally believed to be pro-German.

The partners' German origins furnished Kuhn, Loeb's enemies with further ammunition. One of the partners confessed that he doubted whether a native-born American could understand even half of what Schiff said in English. In an era when every man in Wall Street was suspected of subversive or near-criminal activity by the general public, German-born bankers labored beneath a doubly heavy burden.

When Lord Reading and the Anglo-French Commission came to America in the late summer of 1915, hopeful of negotiating an

Allied loan, Otto Kahn and young Mortimer Schiff saw in their mission an opportunity for Kuhn, Loeb to serve the Allied cause, vindicate its honor, and establish beyond all doubt its loyalty to England and France.

Kahn and Mortimer Schiff assured Lord Reading that a loan of $500,000,000 could be obtained in America and that no collateral need be offered, thus proposing optimum conditions for the transaction. When Reading asked them whether Kuhn, Loeb would enter into the negotiations, Kahn and Mortimer Schiff advised him that they were personally in favor of participation, but that Jacob Schiff and the other partners would have to be consulted, according to the firm's traditional practice. They added that Jacob Schiff had previously stood aloof from any transaction involving Russia, whose oppression and persecution of Jews enraged and dismayed him.

When Otto Kahn and Mortimer Schiff presented the proposal to the elder Schiff, he reacted characteristically. He was willing to have Kuhn, Loeb participate and lead the negotiations, if the Commission could give its written promise that not one cent of the proceeds of the loan would be given to Russia.

"I cannot stultify myself by aiding those who in bitter enmity have tortured my people and will continue to do so, whatever fine professions they may make in their hour of need," Schiff declared at a partners' conference. He offered to resign from Kuhn, Loeb rather than be a party to the loan, unless the restriction was agreed to.

When Mortimer Schiff and Otto Kahn reported Jacob Schiff's decision to Lord Reading, he expressed an understanding of Schiff's motives, but admitted that no government could accept conditions which discriminated against one of its allies in war. Kuhn, Loeb, hearing his answer, asked to be excused from sponsoring the loan.

Everyone who knew Jacob Schiff understood that he acted on convictions of many years' standing. He had refused repeatedly to participate in Russian loans. In 1905, protesting the massacre of Russian Jews in Odessa, Schiff had urged President Roosevelt to charge Congress to act against the Czarist government and to

write personally to the Czar. During consideration of the Allied loan in 1915, Schiff said: "I cannot sacrifice my profoundest convictions. . . . This is a matter between me and my conscience." The American and British press, too avid in their search for sensational copy to examine motives, seized the barest facts and built a story on them: the German bankers of Kuhn, Loeb refuse to aid the Allies.

The allegation could scarcely have been more damaging to the firm, which remained under a cloud in New York until it began financing French issues in 1916. The firm's name was anathema in Great Britain even as late as 1918, although the individual partners subscribed heavily to the Anglo-French Loan. Kahn applied for $100,000 participation the day the financing was arranged. Mortimer Schiff also underwrote a large personal contribution.

Actually, Otto Kahn had shown his friendship and sympathy for England two years before the United States had entered the war. In the *Times* of London for February 16, 1915, there appeared this notice:

"The King and Queen are showing great interest in arrangements which have been completed to provide for the welfare of officers and men of both services who lose their sight in the war. The scheme is in the hands of the Blinded Soldiers' and Sailors' Committee, of which Mr. C. Arthur Pearson is chairman. . . .

"Mr. Otto Kahn has generously placed at the disposal of the Committee, for the purposes of a hostel, St. Dunstan's, Regent's Park, a large house with 14 acres of gardens and grounds which open into the park. In the grounds will be installed an open-air club where those of the blind men who wish to live in the country will be taught poultry-culture, garden, and farm work, way-finding, marketing, and sports and games. . . ."

When Otto Kahn had decided not to live in England permanently, he had kept St. Dunstan's. He owned three houses in East Sixty-eighth Street and the Italian villa in Morristown, which remained unsold. Construction was under way on the houses on Fifth Avenue and at Cold Spring Harbor. But he decided to keep his English house as well.

"The check has not been written which can buy St. Dunstan's," Kahn stated unequivocally, even though he must have known then that he would be able to use the house during only a part of the year. When the First World War broke out he conceived the perfect use for it. By October, 1915, it was serving 130 blinded men and was recognized as a model institution of its kind.

By 1916 it had become "The most famous institution in London." Messages of gratitude from world-famous figures poured into Kahn's office.

"No single thing that has been done by any American has been such a conspicuous and effective help as the turning over of St. Dunstan's as a hospital and training place for the blind," said one paper.

"You have certainly endeared yourself to all on this side of the water," a friend wrote.

To the great house had been added a dozen out-buildings where courses of training for the blind could be given. Strips of carpet marked out pathways across the shining floors, strips of lead scored the stone terrace, warning planks lay at the approaches to the stairs, handrails edged the elegant garden paths; knobs gave warning of branching paths.

In workshops the blinded men were taught carpentry, shoe repairing, mat making and weaving, netmaking and repair, and shorthand. Every man there was taught Braille by volunteer teachers, sixty of whom were recruited to come and teach daily. Typing skills were acquired on typewriters especially adapted for the blind, which Otto Kahn procured for Dunstan's from Remington in New York. An examination was composed and given regularly. Any man who could type a long, difficult business letter without error at fair speed, was awarded his own typewriter as a prize. Within the first ten months of operation, over seventy typewriters had been won by blind men who had made expert typists of themselves.

A poultry farm was designed and managed by the blind, who handled eggs and setting hens with all the expertise of sighted men.

Market gardening was taught, diving, massage, and a half-

dozen other occupations, through which the blind might become useful citizens.

Blind men comprised the entire staff at St. Dunstan's. Even C. Arthur Pearson, Chairman of the Committee, was blind. A man who had lost his sight as he entered early middle age, he understood the challenge of blindness. His charges had confidence in him which they might never have felt in a sighted person.

By 1918 St. Dunstan's had graduated 438 men and was still educating 564 more. One hundred more men were expected within a few months; and a roll of 250 awaited admittance. Among the volunteer helpers there was the late President Cleveland's daughter, who considered the enterprise the most worthy she had ever known.

Kahn, in New York, aided the hostel with private donations and with service through the Permanent Blind Relief War Fund whose Executive Committee he had joined in 1916. Together with Lady Paget, Vincent Astor, August Belmont, Myron Herrick, and Joseph Widener, he raised funds not only for St. Dunstan's, but also for the nine other organizations which the Fund maintained for the blind abroad. He worked tirelessly until long after the end of the war, on the Board and on the Executive and Finance Committees.

In 1921 Kahn and his family thought of reclaiming the house, for it had been out of their hands for six and a half years. A barrage of cables came from many major figures including the Dowager Queen Alexandra. Referring to the soldiers then quartered there, Winston Churchill cabled that he availed himself of his wartime acquaintance with Kahn to urge that more time be given for the evacuation of St. Dunstan's, deploring the imminent displacement of the 500 blind men in residence and concluding "I trust that even at some further personal sacrifice you will reconsider decision."

Moved by these pleas, Kahn agreed to permit continued occupancy of the main house and several of the out-buildings until July, 1923. Braille and typing workshops were also given an extension; and when 1923 came, Kahn gave a further reprieve to the bungalow, which was used for music and dancing.

When the organization finally moved to another address he sold the house and grounds, in spite of his early statement intimating that he would never sell it.

In a somewhat similar gesture, he demonstrated his lifelong regard for the French. His house at 6 East Sixty-eighth Street was transformed, at his expense, into a club for French seamen and soldiers, where English lessons, dancing, billiards, cards, food, books, and service were available day and night.

This service club was fully staffed by Kahn with a housekeeper, a chef, several waiters and general attendants, and was equipped with a large kitchen and restaurant, where meals were served free to French military personnel. The Frenchmen who found comfort and relaxation there named the house. The French Soldiers and Sailors Club. Kahn stopped frequently there on his way uptown in the evenings and occasionally asked twenty or twenty-five of the men gathered there to be his guests at the Winter Garden or Schubert Theatre. Many of them knew only one sentence in English: "Monsieur Otto Kahn is all right."

Meanwhile Kahn and Mortimer Schiff evolved a plan to aid the Allies through Kuhn, Loeb participation in loan underwriting to French city governments. The largest of these was the City of Paris loan, of $50,000,000, represented by 6 percent gold bonds. When a French banker wrote in October, 1916, congratulating Otto Kahn on having been the artisan of the transaction, Kahn modestly minimized his accomplishment. It was the result of a casual conversation with one of the French representatives in New York, he said. But his intimates knew how many sheets of paper he had covered with his small round figures and meticulous geometric doodles, as he unknotted the tangle of details in concluding the negotiations.

Kahn burst out jubilantly when the transaction was made public: "I have never been so happy at the conclusion of a business as I am at this public association of my firm with the City of Paris," he exulted to Prince Poniatowsky. To another banker: "I need not tell you how happy I personally was that it was given to my firm to stand sponsor for the City of Paris, which I love as I love all France." He confided to Mortimer Schiff that the

Paris Loan was the most popular issue Kuhn, Loeb had ever underwritten. Its dramatic unexpectedness, coming as it did immediately on the heels of Jacob Schiff's rejection of the Allied loan, its boldness, its terms—so favorable to France—and its object—aid to the French—won back for Kuhn, Loeb much of the public favor it had lost the year before. A French banker effusively proclaimed that the firm was "consecrated as the friend of France."

Subsequent loans in 1916 to Marseilles, Bordeaux, and Lyons for $20,000,000 each consolidated the Kuhn, Loeb position, although even during these negotiations the old bogey of German sympathy hung over the firm. Otto Kahn wrote one of his partners in November, 1916, that the transaction lay in jeopardy because the French government had been handed reports that Kuhn, Loeb was underwriting a German city loan at the same time. "The French government feels strongly that it can not do business with bankers who finance openly for Germany," Kahn wrote angrily. The source of the rumor was Jacob Schiff's assurance to friends in Germany that he would subscribe to German city loans, providing a guarantee would be given that American money would not be used for war material. Before an answer was received, a new German submarine attack forced Schiff to refuse to consider even these loans.

The loan incident was the occasion for an attack on Kahn, one of the few he suffered in the United States during the war. Another, particularly bitter and almost psychopathic in intensity, appeared in the *Fort Worth Record* letters column. It opened with the incorrect assertion that Kahn had been a commissioned officer in the German Army. When the German military commanders conceived the idea of overthrowing the American government, it said, they selected Kahn and sent him to England, where he became the protégé of the Rothschilds, who put him in touch with Harriman in 1907. Through Harriman (*sic*) Kahn gained the confidence of President Roosevelt. Thus the Rothschilds acquired whatever American properties they wanted. Then, the letter went on, Kahn the militarist emerged. He was responsible for the I.W.W. convention in Salt Lake City and for the

"bloodiest strike in United States history." He was responsible for strikebreaking guards killing strikers in Houston, and for the murder of a striker and the explosion of a locomotive in Mississippi. "Kahn is still at work for his masters. We have no doubt that he is behind the Carranza-Villa forces in Mexico." The letter closed by warning Wilson against the imminent loss of his authority. For sheer confusion of fact and deliberate fabrication, this diatribe was unequaled during Kahn's life. But he read it, considered it, and had it pasted into one of his leatherbound clipping books.

As Wilson stubbornly continued to insist on the United States' neutral rights, Kahn's intimate understanding of the Prussian militarist mind led him to the conclusion that American intervention was inevitable.

As the international situation worsened through December, 1916, he reached a long-considered decision to surrender his British citizenship and become a naturalized American. On the thirteenth of January, 1917, he made public his decision in *The New York Times*. He had applied for first papers before the war; but when England went to war with Germany, he took no further action on the application, fearing that his renunciation of British allegiance would be misunderstood. Receiving his final papers in Morristown on March 28, Otto Kahn felt free to speak out publicly on the threat to America's future.

When the flimsy pretense of neutrality was put aside with the declaration of war in April, Kahn threw himself into war relief and propaganda campaigns which he would serve tirelessly until after the end of the war.

In May, 1917, he was part of a group who received Marshal Joffre on the deck of a police boat in New York harbor. Pointing out the Statue of Liberty and Battery Park, Kahn and Clarence Mackay and a corps of silk-hatted American bankers accompanied the French general up Broadway to City Hall Park, as streamers and the flags of France, England, and the United States blazed in the sun and clouds of ticker tape and confetti showered the

official cars. During the same month Kahn accepted several speaking engagements.

His first patriotic address was delivered before the Merchants Association during a Liberty Loan drive. Called *The Accursed Spirit of Prussianism,* it poured forth his whole hatred of militarism. "An abominable spirit . . . and the German government, obsessed with it, deserves to be called the enemy of the whole human race." He reminded his listeners of the genius of Luther, Goethe, and Schiller, but wept for "that accursed spirit" which had brought in "the inutterable calamity of this appalling war." Humanity, liberty, justice, and mercy, the highest and most cherished prizes won by civilized nations through toil, sacrifice, and suffering, were at stake. "In this sacred struggle it is now our privilege to take no mean part, and it is our glory to bring sacrifices to it."

In the first of many pleas to Americans of German birth or ancestry, he expressed his conviction that German-Americans must "set their faces like flint against the monstrous doctrines and acts which robbed them of the Germany they loved, the Germany which had the affection and admiration of the entire world."

It was a brilliant speech, brief, eloquent, and fiery, drafted in an elegant style and stamped with a sincerity which even Kahn's severest critics could not question. It was reprinted in newspapers both here and abroad. The London *Times,* Paris *Figaro,* Glasgow *Record,* and several dozen other publications carried all or parts of the address.

At the beginning of his speaking career, he could not assess accurately the rate at which his audiences absorbed his ideas, and deliberately simplified his mode of expression, shading down complicated philosophical arguments and concentrating on large, clear issues. He spoke at Liberty Loan rallies, earning from editors the titles "real American" and "true American." In August he wrote a pamphlet on war taxation; and in September he returned to the speaker's rostrum.

In his address in Harrisburg on September 27, he spoke in the

flamboyant style of Bryan and Roosevelt. "You have to make a big noise to wake people up and then keep it up to be sure they don't go to sleep again," Roosevelt had said. Kahn, remembering, made a big noise, of a kind which had not been heard in the United States for many years. The presidential campaign of 1916 had been hard fought, but Hughes, campaigning on the spongy slogan, "America first and America efficient," and Wilson, with his high-flying ideals, would not descend to fire-eating. Kahn's address in Harrisburg was an old-fashioned, political rally stump talk, recalling Tom Corwin's harangues before the Lincoln-Douglas campaign. The newspapers raved. The address was published as the December bulletin of the American Rights League.

One month after his triumph in Harrisburg, Kahn resumed his Liberty Loan campaign speeches. In the second week of November he was called to Washington by President Wilson to discuss economic aspects of the war in private conversations.

"One of the most significant events of recent months," editorialized the Philadelphia *Inquirer,* calling Otto Kahn's counsel essential to good financing.

Kahn had turned a hard scrutiny on the American economic picture early in the war. Characteristically, he went straight to the heart of the problem. An illuminating address called "High Finance," which Otto Kahn delivered before the American Newspaper Publishers' Association annual dinner in New York on April 27, 1916, focused on the American financial hierarchy, the general mistrust in which it was held, the causes of that mistrust, Wall Street culpability, and possible means of improving the situation.

"Never was it of more importance than in the present emergency that the people should have a clear and correct understanding of the meaning and significance of finance, and that they should approach the subject calmly and dispassionately and with untroubled vision," Kahn asserted. The primary, fundamental tenet of his economic theory was that the masses of the public must trust financiers and that financiers must make themselves worthy of that trust.

He noted sadly that the widespread attitude of suspicion and

hostility toward the New York financial community was owed in part to the reprehensible conduct and spirit of a certain segment of the business world, whose lack of conscience and responsiveness to moral appeal gave the public real ground for resentment. Finally, begging forgiveness from his audience, he slashed at the newspapers themselves and muckraking journalism—"that other patch of black"; at the inept reporters, ignorant of financial matters, who were sent out to cover stories on finance, "in search of an incident rather than a sober and even record"; and headline writers, selected for their "ingenuity in compressing the maximum of poisonous gases into a few explosive words."

With his usual perspicacity, he had pinpointed the threefold cause of the public's distrust: the financiers' moral failings, their indifference to public opinion, and the muckrakers' skill in capitalizing on both. His own mission in Wall Street was to fight these abuses and lift the veil that hung between the public and finance; to correct, to cleanse, to tear away the misconceptions, prejudices, and superstitions.

He explicitly called the newspaper publishers' attention to the improvements and the correction of abuses which had taken place during the years from 1900 to 1916. It was a "new era," Kahn said; finance had been made aware that the freedom and latitude permitted it before 1900 was no longer acceptable to the public. He charged the newspapers with their responsibility in reporting the change to the American people.

He urged them to let readers know that the American financial community is morally second to none in Europe and that it is superior to some, to discard catchwords such as "speculation" and inform readers that finance and speculation are not synonymous, to emphasize that finance means constructive work, mobilizing the wealth of the country toward fruitful cooperation, that it means promoting essential trade, creating new wealth and new jobs, and to establish a feeling of confidence and mutual respect between the financier and the public in order to ensure their future cooperation.

Kahn foresaw that such a campaign was essential if the United States was to survive the crisis of war. Several of his speeches

during the war years were directed to that end. It is impossible to determine the extent of his influence in effecting the understanding between finance and the public that followed; but inevitably he found public expression in newspapers across the country, for the publishers who had heard him believed what he said.

He pointed out that the power of mere wealth was constantly decreasing and that it was right that this should be so. He said that the financier must conform to public opinion, abandon the cult of silence, render community service, and "heed the call for changes" from methods and conceptions which become unsuitable to the time and out of keeping with rationally progressive development. He asked them to "abandon Bourbonism and give timely, constructive and sympathetic aid toward realizing a just and wise modification of the existing order."

Business must concentrate on these precepts, not sporadically, under the spur of some imminent menace, but systematically and persistently. It must be mindful that just as the price of liberty is eternal vigilance, so the price of right lawmaking in a democracy is eternal effort in resisting fallacies and disseminating true and tested doctrine.

In an address to the Association of Stock Exchange brokers in New York, on January 24, 1917, he urged the brokers to leave their secluded corners, and make personal contact with the people, who would no longer tolerate resentful silence. Prove your usefulness, he counseled them, correct misunderstandings, broaden your outlook, educate yourselves first, then educate the investors.

Having laid the foundation for a general amelioration in relations between finance and the public, Kahn then turned his guns on economic specifics. In May, 1917, he leveled an attack on the war tax question, which he had been examining for many months. He deplored the plan to fix incomes arbitrarily as "an unjust and immoral" procedure, then recommended a higher excess profits tax to be levied on profits which were directly attributable to the war, and estimated that such a tax would yield $800,000,000 for 1917 alone. He also proposed a two-cent levy on all checks and a five-cent levy on purchases (excepting foodstuffs)

of five dollars or more. He buttressed his recommendations with the statement that unwise taxation would precipitate unemployment and an outflow of capital to Canada, where no federal income tax was levied at all. The *Times* and several other newspapers printed his remarks verbatim.

Excessive and unfair taxes on capital would unbalance the nation's economic equilibrium, he warned, and destroy the incentive to use capital productively. Capital is proverbially timid, he went on, two weeks later. If it is taxed punitively now, it will withdraw to foreign countries after the war. He pointed out that neither France nor Germany nor England, after three years of war, had a tax schedule nearly so severe as that proposed by Congress in 1917. And he added wisely that when excessive taxes become fact in the heat of a national emergency and are adopted, they tend to inflate the government budget so that it becomes almost impossible to reduce them once the crisis is past.

In several addresses he repeated and expanded these recommendations. In one he urged that the tax burden be allocated over several years, to avoid dangerous strain on the economy, pointing out that both England and Canada imposed taxes at a rate 50 percent less than that proposed in the United States.

In another he denounced the man who evaded his monetary obligations by investing only in tax-exempt securities, while active business and professional men paid and paid heavily. "Appropriate taxation," he said, "would go a long way toward preventing the enrichment of a class through the calamity of war, without affecting wages or laming the enterprise and business activities of the country."

He proposed that either the President or the Secretary of the Treasury appoint a Board of Economic and Financial Strategy, composed at least in part of businessmen and economists. Such a group would advise the government in the war emergency and plan for economic reconstruction after the war. The suggestion met with warm approval from press and voters.

Journalists took up the cry for an Economic Board to handle wartime exigencies and the peacetime problems of shipping, marketing, railroading, farm problems, international finance, and

domestic industries. The New York *Evening Post* urged that Kahn be appointed to such a board, together with Frank Vanderlip, Alexander Legge of International Harvester, George Reynolds of the Commercial Bank of Chicago, Hiram Johnson of California, the labor leader John Mitchell, and Harvard's economist Professor A. W. Sprague. "If we do not form such a general staff, these problems will be met by half-baked measures devised by overworked Congressional committees, composed of mediocre men," the financial editor warned direly.

At the end of 1917 Kahn resumed his campaign against Germany. A brief essay entitled "Americans of German Origin and the War," which Kahn had written in the summer, was published by the United States Government Committee on Public Information in Washington in August. A German translation of it was subsequently made available by the Government Printing office to all German-American citizens. In it Kahn reminded German-Americans that Germany, too, had known liberty and mercy before Prussian fanatics ran amuck through the nation and corrupted it.

"Neither Germany nor this country nor the rest of the world can return to happiness and peace and fruitful labor until it shall have been made bitterly and unmistakably manifest to the rulers who bear the blood guilt for this wanton war and to their misinformed and misguided peoples that the spirit which unchained it cannot prevail, that its hateful doctrines and methods are rejected with abhorrence by the civilized world," he wrote.

A subsequent condemnation of "the outlaw among nations" delivered at a Red Cross mass meeting at the Hippodrome Theatre in New York, was heavy with invective and blazing with anger. He called the Germans the architects of war, murderers, perfidious plotters, violators of international law, perpetrators of "crime heaped upon crime in hideous defiance of the laws of God and man."

The address was reprinted in several European and British papers, as were excerpts from Kahn's essay "Prussianized Germany," which was published in December by the American Rights League.

During the same month a chapter of the Daughters of the American Revolution voted to honor Kahn; and when on the other side of the earth, the *Malay Mail,* published in India, gave two columns to a précis of his anti-German views, the German press could no longer afford to ignore his probings. The Frankfurt *Zeitung* and the Cologne *Gazette,* attacking anti-Prussian German-Americans as *Schmutzfinken,* filthy pigs, attacked both Schiff and Kahn, appending the quixotic observation that while nothing better was to have been expected from Walter Damrosch, it was "altogether impossible" that Otto Kahn had descended to a rejection of his native country.

Unconfirmed rumors from Berlin hinted that Kahn was the object of more obloquy in Prussian militarist circles than any other enemy of Germany. When he embarked on his daring European tour early in 1918, while the war was still raging, it was said that every German submarine had been alerted to torpedo his boat. "We would rather eliminate him than either the President or Pershing," the Kaiser was reported to have said. A German newspaper charged that his war propaganda arose not from conviction, but from some obscure motive of personal ambition.

But if any one aspect of Kahn's complex personality is transparent, it is that his war efforts were spontaneous and motivated by a genuine emotion of patriotism. "What a glory to be an American!" he wrote jubilantly to a friend in 1918. "What a joy to be alive in these soul-stirring days."

The German attacks continued, more vitriolic than ever. Otto Kahn gloried in them. "I wear the vilification of the Boche and pro-Boche as a badge of honor. My name has been on the blackest page of the Black Book of the German government for four years."

Those Germans who thought that Otto Kahn had exhausted his arsenal of anti-Prussian attacks were soon to be disillusioned. In January, 1918, Kahn took the war to the stoutly Teutonic populace of Milwaukee. He stopped off briefly in Chicago on the way, to address a congregation of bankers on national unity and national efficiency. It is a meaningful measure of America's respect

for him that his ten-thousand-word addresses were printed not only in the Midwest, but in newspapers as far afield as Washington.

In these addresses he dealt with his old themes of loyalty and taxation, repeated his suggestion for a Board of Economic Counsel, and praised both Wilson and McAdoo generously. But he also sounded for the first time a note of warning against the Russian radicals and their American sympathizers, who, "in their ignorant fanaticism . . . would set class interest above patriotism and substitute for the tyranny of autocracy the still more intolerable tyranny of mob-rule, as they have done in Russia."

Speaking in Milwaukee on January 13, 1917, and in Madison the next day, he reiterated his old arguments about the poisonous growth of Prussianism. The struggle between the powerful voice of blood against the still, small voice of right admits of only one solution, he said. German-Americans must not fail in their duty to reach the ear and the conscience of relatives and friends remaining in Germany, to convince them that Prussianism, not ancient German traditions, is the source of the crimes committed against the world in the name of Germany. He summed up the corrupting influences as materialism, jingoism, covetousness, irreligion, overweening arrogance, an impatient contempt for the rights of the weak, a mania for world dominion and a lunatic worship of power. He dated the growth of these traits not to Bismarck, but to the Prussian militarists who ruled during the last decade of the nineteenth century, after Bismarck's dismissal, and to the Pan-German League, formed in 1891.

The Kaiser and Nietzsche had penetrated every corner of Germany, he said, counseling men to love peace only as a means to prepare for new wars and swearing that a good war hallows every cause. But he did not neglect Pan-Slav nationalism as a factor, even though the entire address was directed at German-Americans.

At the University of Wisconsin, he concentrated on Bolshevism and Socialism. The former he abhorred, the latter he found impracticable, but not without its noble aspects, both achievable and desirable. Decrying the "myth of a rich man's war," he laid the

responsibility for this canard squarely upon La Follette. Since pacifism and other semiseditious agitation have become unpopular in the United States and have exposed their exponents to the accusation of subversion, he said, these same pacifists have cast about for another horse to flay. . . . Bankers and industrialists, who had borne the brunt of vociferous criticism during the heyday of muckraking and progressivism, were easy victims. The cry of a "Wall Street war" was raised.

He pointed out that the rich had everything to gain by preserving the state of affairs which prevailed in the two and a half years which preceded the United States' entry into the war. Profits were large, taxes light, and America was in the process of achieving full financial maturity as she became the creditor nation and financier of the world. Everyone in finance realized that American participation would mean reduced income, heavy taxes, and unwelcome government intervention and controls. Point by point he demolished La Follette's arguments, citing stock exchange fluctuations and business volume, distribution of the tax burden, and the status of various foreign loans, which were favorite targets of Congressional pacifists.

Kahn had taken a major step toward dispelling the "legend of a rich man's war" in November, 1917, when he announced before a Minneapolis Loyalty Rally that he would give up his entire income to war work and charities, after deducting necessary living expenses for himself and his family. News of his decision, which reached the city desks of all the great American papers shortly after his speech, was carried the following day as a featured story. His Madison speech was well received. Contented, Kahn wired his wife: "Still alive after Siberian adventure. Love."

Although he made no public statement of his views concerning the course of the war, Kahn was gravely disturbed by it. He feared that the French forces might collapse at any moment: "They are nearly out and done for," he confided to a small dinner gathering in London. But he judiciously withheld his pessimism from the press. Even six years later, when Sir Arthur Conan Doyle asked his permission to use the observation in his own memoirs, Kahn refused. "Those were the facts," he wrote Doyle,

but he requested that Doyle not relate the incident. American and British pressure for a negotiated peace alarmed Otto Kahn even more than the possibility of French defeat. He was unshakeable in his belief that the German nation, founded on power and inculcated with Nietzschean belief that power is the arbiter of all destinies, would consider a negotiated peace a complete victory:

"The trouble with the German people is the habits of thought, the conceptions and traits of character which Prussian dominion has deliberately fostered in them. The effect of the Prussian poison can be offset by only one antidote: military defeat. With it will come the potent and undeniable demonstration of the calamity and disgrace into which junkerdom and militarism have led the nation."

His familiarity with the basic German philosophical precepts such as the failure of success, the triumph of failure and the transvaluation of all values lent him an insight which parochial Americans did not possess. As Kahn drew back from hopeful optimism, so also did he, in his cold, practical objectivity, find alien Wilson's ivory tower idealism. "I am not optimistic about the early end of the war," Kahn wrote in February, 1918, "for the Germans are so trained in the lessons of centuries of obedience and discipline that even though they were utterly weary of war and yearning for peace, they would never overthrow their army. Victory will come only after a stunning defeat, which the German army could not call a 'strategic victory.'"

Thus even before the end of the war, he found himself outside of two trends of American thinking. The gulf which divided his views from Wilson's in the postwar era was evident as early as January. When men who shared Kahn's opinions asked him why he did not counsel Wilson, Kahn replied, falling back on railroad metaphor:

"I had the opportunity of having a long talk with the President a few weeks ago and found him thoroughly and correctly informed. As to advising him, 'there ain't no such thing.' He does not call for volunteers; he conscripts. When he wants to know, he asks. When he does not ask, he does not care to know. He has, as he himself calls it, a single-track mind, and he does not

care ordinarily to meet any other mind on that track. When he does, he stops on a siding and whistles for the other mind to approach.

"The only genuine autocrats left in the world are the elected rulers of republics, which is one of the things that reconciles me to the republican form of government. It is characteristic that while Lloyd George before publishing the British peace terms conferred with representatives of all classes, sections and parties, Wilson consulted nobody at all before publishing the American peace terms, except Colonel House. Not even, I understand, his cabinet."

During the war, Kahn proffered wholehearted support of Wilson, but when he read Wilson's declaration: "nor do we presume to suggest [to Germany] any alteration or modification of her institutions," Kahn trembled with anger and frustration. Within a year he was to predict accurately the outbreak of World War II, which he considered the inevitable fruit of the Fourteen Points and the signed treaties.

Reading Wilson's prospectus for peace and scanning the war news, Kahn decided to go to Europe and evaluate the situation according to his own judgment. The war years had been an exercise in patience for so restless a man; and he chafed to be moving, driving, seeing again. He planned to visit England and France, disregarding the submarine menace which, in 1918, was very real. His compulsion toward the unexplored drove him to add Spain, which he had never visited, to his projected itinerary.

He was not sure, in the spring of 1918, how warm his welcome would be, for the old specter of Jacob Schiff's refusal of the Allied loan four years before still haunted European relations with Kuhn, Loeb. As late as February of that year, a note in the London *Times* had recalled Schiff's stand, adding the damaging statement that Schiff had told the *Times* correspondent in 1914 that he was "willing to help the Kaiser rather than the Allies." The writer went on to quote Kahn's Milwaukee address as proof of "changed sentiment of Germans in the United States."

Beaverbrook remembered him as "rather nervous and uncer-

tain about coming." But he and Kahn's former colleagues in the British Conservative Association urged him to come. Their invitation was echoed by the attorney Paul Cravath, who wrote from London in March, "You have become famous both here and in Paris as an orator and pamphleteer. I am sure that you will be welcome here. The sincerity and strength of your support of the Allied cause is well known to all the members of both the British and the French governments. Your advice and judgment on more than one question will be welcomed."

Convinced, Kahn left quietly, without fanfare, and arrived in England heralded by an announcement in the London *Daily Mail* that his pro-British activities had given "much offense" to the German authorities. The *Dispatch* announced "a notable visitor" in an eleven-line notice, calling Kahn a "strenuous propagandist" who had spent his money unstintingly on his personal pro-Ally campaign; while the *Evening News* in fourteen lines hailed "a quiet visitor," "the distinguished banker in whom the Allied cause has had no stronger supporter."

Otto Kahn arrived in London after a harrowing voyage. On his return to America he confessed to fright, but characteristically he found it exciting. On the night before sailing, he had spent the evening with Theodore Roosevelt, who had given him a letter to Clemenceau. He had also letters to Spanish officials from August Belmont. The British ambassador to Washington, Lord Reading, had contributed his good offices, cabling ahead to confirm appointments with members of the government.

He stayed in London in May, traveled on May 27 to Paris where he was hailed as *"le grand ami de la France"* in articles which recalled the club for French soldiers which Kahn had established in his house in New York. He endeared himself to Parisians on this visit by designating France *"la Terre Sainte de l'humanité"* and donating ten thousand francs to the French Society of Dramatic Writers. French writers, praising him, paid especial attention to his efforts to place *Pelléas et Mélisande, Ariane et Barbe-Bleu,* and *Marouf* in the Metropolitan Opera repertory.

"I am happy to be here when the 'big Berthas' and the Gotas

are active, because it enables me to share, in however insignificant a degree, a few of the dangers which the French, men and women alike, have faced for so long and with such sublime heroism," Kahn said. The Parisian journalists responded in kind: France would never forget Kahn.

Although the battle of the Aisne raged from May 27 to June 5, and Paris itself had been bombarded by long-range guns the month before, Kahn was undaunted. He made a trip to the front, visited General Pershing, and dined at a château where a shell had demolished the concierge's lodge one hour before. He proceeded to Spain, where on June 18 he had a long conference with the King, Alphonse XIII, whom he found "very intelligent, exceedingly well posted and one of the most attractive men I have ever met." Kahn was well received in Spain, where he was remembered as the patron of the composer Granados and the benefactor of his children. He saw Toledo, and the paintings in the Prado, which he surveyed with a professional collector's gaze. "They alone are worth the journey from America," he exclaimed.

While in Spain he gained by chance a piece of information which drew him into a kind of amateur espionage. Somehow, somewhere in Madrid (Kahn never revealed the details of his coup) he learned of the imminent Spartacus League uprising in Brussels. This subversive group, headed by Karl Liebknecht and Rosa Luxemburg, remained in close accord with Russian revolutionary leaders and were sometimes called the German Leninists. They had been working with other anti-Junker groups to undermine German unity and foment internal strife for several years: Liebknecht was in fact given a long penitentiary sentence for agitating against the war.

The Spartacus Proclamation was not issued until December 4, 1918, and the German Communist party not founded until December 31; but the revolution seethed underground that summer.

The importance to the Allies of such information can scarcely be overstated. Kahn sat down immediately and sent a complete report of what he had heard to the English government. The news was taken straight to Downing Street and handed to Lloyd

George, who could scarcely believe what he read. But knowing Kahn's reputation for scrupulous accuracy, he investigated the report and found it to be true. Thus through Kahn's penetration of what he might have ignored as rumor, he enabled the Allies to move from a position of strength during the crucial last months of the war. "He did us a great service by reporting on this affair," said one of Lloyd George's ministers. When Kahn returned to London he was welcomed warmly by the inner circle of the government.

He reached America again at the end of July, confident of ultimate Allied victory. He reported to the press on British and French affection for America, on Spanish pro-Ally sympathy and on the high spirit of the American Army. Looking ahead he urged closer commercial cooperation between this country and France and Spain, warned the United States against excessive trust of even a defeated Germany and espoused strong postwar ties with Great Britain, lest Germany "by subtle and open means" sow seeds of dissension between the two countries.

Immediately after his return he received a request from President Wilson for a complete written report of his trip. The text of this memorandum remained confidential; but Kahn's published notes on his trip were widely circulated in Europe, where, in France and England, they were regarded as filled with wisdom.

The success of Otto Kahn's European trip and the resulting upsurge in his personal popularity provoked the German government to discharge several fresh rounds in its calumnious campaign against him. He was called traitor, turncoat, betrayer and corrupter of German morale.

As the Germans advanced from the Aisne to the Marne, they came upon what they supposed to be American supply trucks. They tore open the packages, only to find that they contained not food, as they had expected, but bales of Otto Kahn's propaganda leaflets, which were distributed by air and by hand along the American front during the entire campaign. After this incident was reported to the German government, the campaign against Kahn grew more violent, attacks against him more frequent.

An adjunct of the controversy was a wave of anti-Semitic feeling, fanned by German accusations that men like Kahn and Schiff could speak neither for Germany nor America since, as Jews, they were men without countries, empty of every genuine sentiment except the love of money. Kahn received few anti-Semitic letters in his life, but he answered those which were not anonymous with the same courtesy which marked his correspondence with kings, queens, and presidents of the United States.

"An Italian woman across the street said 'It's a rich man's war,' " wrote a woman who addressed her letter to "New York Jewish Banker Otto Kahn" and enclosed a clipping of one of Kahn's speeches. "We can't believe what you say, so don't ask the impossible of human nature," she scrawled. Kahn sent her one of his printed essays, explaining that the rich suffered equally with the poor and that war was a hell into which the whole world was plunged. To critics who cried that he had betrayed Germany, he answered that the creed he preached was founded as firmly on the German liberal ideals of 1848 as on the American ideals of 1776. Truth and liberty know no national boundaries, he often said; and frequently recalled proudly his father's participation in the Revolution of 1848. "I do not apologize for, nor am I ashamed of my German birth. But I am bitterly and grievously ashamed of the Germany which stands convicted of crime heaped upon crime, committed in hideous defiance of the laws of God and man." It was an unequivocal answer, admitting of no retort.

When, early in 1918 Otto Kahn had been asked by The Century Company, for permission to publish an anthology of his wartime addresses and essays, he reworked his materials into six chapters on Prussianized Germany, militarism, the duty of German-Americans in the war, the nature and effect of German propaganda, the extent of German culpability, and the potential radical threat to America. He called the little book *Right Above Race,* and was pleased when it was warmly received by American reviewers, who found it "brave," "moving," and "complete and convincing." "Ought to be read by every native American," one wrote, "as well as by German-Americans."

"This is one of the best books about the war," Theodore Roose-

velt wrote bluntly. "I should like to see it circulated throughout the United States as a tract on sound Americanism." Roosevelt seized the occasion to scourge American pacifists who, "not daring to be openly treasonable, serve Germany by advancing the cause of Bolshevism in this country and by downright shameless perversion of the truth." He did not mention La Follette by name, but his inference, like Kahn's, was inescapable. Otto Kahn, said Roosevelt, was a man "who has his face set toward the light."

When Kahn received his royalties on the first 2,745 copies, he confessed that no money he had ever made had given him more pleasure than Century's check for $205.88.

Even though the end of the war seemed imminent, Kahn continued working for his war and relief projects. The Secretary of War had appointed him Chairman of the Military Entertainment Council Advisory Board, to provide entertainment in auditoriums and camps at home and overseas. In this capacity he served with Paul Cravath, William K. Vanderbilt, Nicholas Murray Butler, Brander Matthews, and Charles Dana Gibson. He participated in symposiums and wrote on foreign investments for the War Industries Board Council of National Defense. He canvassed for Liberty Loan campaigns, organizing meetings, speaking, and contributing. During a single two-week period in October, he gave $40,000 in one drive. He became treasurer of the League for National Unity, a defense-effort organization which fought radicals and pacifists; on its board he worked with Cardinal Gibbons and Samuel Gompers.

He aided a United War Work Campaign by providing the Metropolitan Opera House, its orchestra, and Caruso for a Sunday night rally and helped the Metropolitan by making good the loss they sustained in giving up the theatre on a profitable evening.

He established a base hospital near the front and sent a large check each month to keep it going; he acted on the Hoover Commission for Belgian Relief, served on more than two dozen other relief and defense committees, kept up contributions to over one hundred organizations.

Correspondence, which had always weighed heavily on Kahn's

conscience, became a particular concern during the war years. His files contain many warm, thoughtful letters to soldiers of the French, Belgian, English, and American forces who had written to him. When there seemed to be genuine need, he enclosed a small personal check to aid the soldier's family. Bereaved parents and wives received letters that betrayed Kahn's own sorrow over the losses of war.

He instructed his staff to keep every soldier's letter on file. Even the most tattered, ragged scraps of paper were preserved and answered, for many of them came from soldiers in the trenches. If one may judge from the length and tone of Kahn's replies, these meant more to him than any other correspondence of the period. "No words are adequate to do justice to your sublime spirit and your marvelous valor and patriotism," he would write, adding news of domestic conditions or his view on the probable course of war. "Believe me, I am, with best wishes, Faithfully yours, Otto H. Kahn" went out to several hundred soldiers between 1914 and 1919. One of Kahn's favorite projects was a golden book of five hundred soldiers' letters, to record the heroism of the men who fought the war; for Kahn believed that they contained insight into true values, true proportions, and the true meaning of life—insight which should not be lost in the euphoria of peace.

In other correspondence Kahn replied to critics who raged against Hempel and Matzenauer singing at the Metropolitan, and Beethoven Symphonies played by the Paris Conservatoire Orchestra. He waged a running private campaign against senators and the Postmaster General to assure the prompt and reliable delivery of mail addressed to soldiers stationed overseas. And for five years he fought his propaganda war through the mail. A postwar letter to a German friend in Freiburg reflects the spirit of Kahn's foreign correspondence of this period:

"My sense of right and justice left me no choice but to take my stand against Germany long before America entered the war. Indeed, it is first because I remembered and revered the high idealist traditions of the Germany of my youth that my resentment was all the deeper against those who rode roughshod over

ideals and traditions . . . who instilled power worship in the German people and finally brought about the catastrophe which shook the world." Unlike many others, Otto Kahn could say that he had taken his stand in 1914 and clung to his convictions through four hard years.

15

Aftermath

By September of 1918, even Hindenburg and Ludendorff knew that a German military victory was impossible. With the end of the war imminent, Otto Kahn muted his anti-Prussian expressions and concentrated on the problems of reconstruction. Four days after the Armistice, he spoke out against isolationism. "More than heretofore we must recognize that we are all our brothers' keepers and that we must seek to advance toward an even more justly ordained world," he wrote.

"We cannot simply wash our hands and stand by in sterile aloofness," he said again and again, firm in his conviction that European and American prosperity were forever interdependent. During the postwar era he would alternately pull, shove, urge, and beg for a solution to problems of international cooperation, but reaction had set in and he was not heard. Disillusionment and indifference were quickly succeeded by selfish parochialism. "We are at the dead season of our fortunes," the economist Keynes wrote. "Never in the lifetime of men now living has the universal element in the soul of man burned so dimly."

When Wilson set out for France in December, Kahn watched apprehensively, for he knew the European diplomatic mentality more intimately than the President. Neither Lloyd George nor Premier Orlando could muster much enthusiasm for Wilson's high idealism; and Clemenceau spoke for a whole body of European politicians when he said cynically: "Mr. Wilson bores me with his Fourteen Points. Why, God Almighty has only ten!"

Wilson was confronted with secret treaties already negotiated, founded on age-old diplomatic custom providing for the distribution of the spoils of war. In Paris he faced hard-bitten diplomats united in their aims. "America is not at her best sitting around green tables in European chancelleries," Otto Kahn observed sadly.

He was in favor of America's assuming her full share in the burden of responsibility which attends power, in favor of full cooperation with France and England, in favor of utilizing, strengthening, and developing the existing machinery of The Hague Conferences and Tribunal, in favor of economic and financial measures to serve through the reconstruction period. But he was staunchly opposed to the League Covenant as it was originally submitted to the United States Senate. "I have but scant faith in the practical usefulness and potency of what a French writer has called a 'chimerical edifice conceived in disdain of history and reality in human nature.'

"Nothing that we fought for makes it incumbent upon us to entangle ourselves . . . to become the guardians and guarantors of an arbitrarily and artificially remodelled world, put together in disregard, more or less, of the evolution of centuries and of the proven qualities and characteristics of races, according to the perceptions, predilections and compromises of a few men assembled in secret conclave, far removed from the informing and vitalizing currents of public opinion, and not perhaps quite sufficiently removed from considerations of domestic political expediency."

Although he favored a loose international organization of nations, Kahn feared the cumbersome machinery of the League, its inelastic tenets, its infinite complexity and wide sweep, its rigid formulae and niggling provisions, all of which promised to promote nothing but ill-feeling, to breed misunderstandings and foment irritation, rather than to bring the desired blessings of peace, he said.

He predicted that delegates would be constantly hamstrung by the conflicts between covenant provisions and their own governments' constituted laws. The weightiest problem posed, in his view, was that no League delegate from America could enter

into any agreement resembling a treaty obligation without the consent of a two-thirds majority of our own Senate. European nations would expect us to perform acts which we either must perform inadequately or, worse, not at all. He believed that some League actions, in which America might be required to participate, would be misunderstood by Americans. He dreaded the repercussions in national politics which would inevitably follow action taken on controversial issues.

Finally he perceived what Wilson and the American delegation and many members of the English delegation had failed to see: that the United States was not mature enough to accept the kind of responsibility Wilson's plan entailed. "America is not fitted by tradition, training, governmental methods, interest or inclination to take a continuous and responsible part in the adjustment of the intricacies of European affairs," he wrote in 1919. "Already in our recent excursion into the field of European politics, we have managed in one short year to convert friendship and trust toward us into estrangement, disappointment and acrimony, in the case of too many of those nations with whom we were associated in the war."

He resented bitterly those Pollyannas who urged America's participation in the League in spite of the Covenant's shortcomings. "Let us join," they preached, "even though some points of the Covenant are obviously weak. All this can be changed after we have joined." To them Kahn replied unequivocally: "I consider that the time to correct admitted faults in the charter and by-laws of an association which you purpose to join, is before you have joined and not afterwards, especially when it is provided that when once you have joined, modifications cannot be effected except by unanimous consent."

Kahn, who had agitated during the war for an economic planning board, pushed desperately for the formulation of a solid economic policy after 1918. "Sore at heart and sickened" at the terms of the Treaty, which he virtually memorized, he pressed for action. "There is no time to be lost," he cried. "Europe needs America's financial aid at this juncture a good deal more than it needs America's participation in the League of Nations."

He advocated a program which would make available "in a suitable way and to a duly measured extent" credits to enable the Allied nations, the Central Powers and the newly created countries to obtain urgently needed foodstuffs and raw materials, so that normal economic life might resume. Action was necessary to make the sixty million people in Germany useful in reconstructing a world "sadly out of gear and sorely beset by insufficient production and insufficient means of distribution.

"It has become the function of our government to take the lead and to act promptly to facilitate, support and supplement foreign economic efforts by appropriate means and agencies," he said. But, as Keynes wrote, the fundamental economic problem of a starving and disintegrating Europe was the one question on which it was impossible to arouse the interest of the Four. Like Keynes, Otto Kahn laid the responsibility squarely on the treaty makers. "Twelve months after the end of the war, and a very large portion of Europe is still in the throes of utter confusion, drifting in helpless and aimless turmoil. Unless we come to the rescue and do it quickly, we face the prospect of cruel suffering among many of the nations of Europe during the coming winter."

Wilson's collapse in the midst of his western speaking tour in the early fall of 1919 precipitated a minor panic in America. The President had gone mad, some said. As he lay in his room, from which all visitors were barred, the Senate fight raged over ratification of the Versailles Treaty, which had been submitted, at Wilson's wish, without changes or reservations. Wilson's supporters were opposed by hidebound isolationists on one side and on the other by men who favored the treaty with reservations. On the first vote of November 19, the treaty was rejected fifty-five to thirty-nine.

At this juncture, Otto Kahn came out in favor of treaty ratification, subject to the "irreducible minimum" of reservations. "Being given the sinister circumstances of the world situation which unfortunately and unnecessarily have been created through the course of action of the Peace Conference, I am forced to recognize, however reluctantly and without modifying [my dis-

approval of it] that ratification subject to reservations would appear to be the course that is called for and the course that should be adopted," he wrote in a letter to Senator Miles Poindexter, on November 29.

He felt that ratification would come during the following session of Congress, unless "unyielding obstinacy and pride of opinion in high places" prevented its modification. But he had underestimated Wilson's obduracy. The President resisted every effort to modify the provisions; and the treaty was finally rejected in March, 1920. Kahn at this time shared the opinion of a small American minority that error heaped on error and disaster heaped on disaster could precipitate only chaos.

After the rejection of the treaty, Kahn took up America's defense, as widespread criticism swept in the wake of the Senate's action. America had not rejected its obligations, he said publicly, while privately he regretted that she had indeed reneged and would possibly continue to renege.

The Constitution was one of many public documents he knew virtually from memory. In its articles he read clearly defined limits to the extent of the President's authority in treaty negotiations, and believed that Wilson had acted improperly in his attempt to commit America through his own negotiations. The clause describing ratification by a two-thirds majority of the Senate was crystal clear to him, and he could not understand how confusion over it could have arisen.

The Constitution was no secret document, he declared irately. Forty percent of the treaties concluded and submitted by American Presidents before 1919 had been rejected or substantially modified by the Senate. The Allies ought, therefore, to have realized that Wilson's authority extended only to negotiations, not to binding the nation.

"In rejecting the Versailles Treaty," he said, "indissolubly entangled as it was by President Wilson's deliberate and outspoken intent with the League of Nations Covenant, the American Senate acted as it had a perfect moral and legal right to act, as it had given plain notice, in ample time, that it would be liable

to act, in pursuance of the constitutional functions and the traditions of the Senate."

Thus Kahn, the American citizen, loyally cited facts to conceal his disillusionment and apprehension at America's abdication from responsibility in the very moment when it stood on the threshold of world leadership. He had correctly assessed the extent of American immaturity, but it was a bitter pill to swallow, all the same.

One year later the world had awakened to the fact of America's apparent indifference to Europe's distress. Anti-American feeling ran especially high in England, where Otto Kahn, traveling in May, 1920, found himself called repeatedly to account for his country's defection. In an attempt to explain the reluctance of American investors and, at the same time, mitigate the resentment against United States policy which was certain to increase in Europe in direct proportion to the growth of isolationist sentiment at home, Kahn released to the London *Times* a long apologia. He explained that the war had drained the United States, still a young country, of forty-three billions of dollars. He went on to describe the American tax structure, which had driven many rich men out of the investment market and forced others to buy tax-exempt municipal, state, and federal bonds.

"America is not in a position to render to the world those financial and economic services which her duty and self-interest require that she should render," he concluded, appending two paragraphs intended to console Great Britain for the loss of American support: New York would never supplant London as the financial center of the world, he predicted. The United States would merely supplement England. He closed with a plea for cooperation and understanding.

Kahn's statements concerning the financial situation were reprinted and commented upon by the editors of county newspapers and financial journals throughout England. The editor of the London *Times* praised his diagnosis, while others used adjectives such as "inspiring," "valuable," "candid," and "gratifying"—words which had not been applied in England to any American pronouncement for many months.

Throughout the 1920's Otto Kahn chafed at the emasculation of the League and the disparity between what it became and what it should have been. "The League as it is now constituted is not what those devoted single-mindedly to the furtherance of international peace and fair dealing among nations meant it should be," Kahn said in an address in Rochester in 1923. "There is one basic fault in the Covenant, namely the fatal fact that the League is called upon to perpetuate, maintain and defend that Europe which was set up under the Peace Treaties by the fiat of three men sitting in secret council in Paris.

"Where far-reaching interests and essential conflicts were involved in the case of nations that felt themselves strong enough to act according to their own will and judgment, the League has been found irresolute and impotent; and it was coolly left aside by those concerned. Greece goes to war with Turkey, Poland appropriates Lithuanian territory by force, Lithuania appropriates Memel by force—and the League looks on. The Roumanian government snaps its fingers at the League . . . France and Belgium occupy the Ruhr—and the League is disregarded, in fact, warned off."

He often declared that he was not opposed to the idea of the League itself. Organized cooperation among nations to maintain and strengthen international law and justice, to foster understanding, fair dealing, and good relations among the peoples to work for peace was a desirable objective, which should meet with the ardent approbation of clear-minded people everywhere, he said. But the League ought to have been kept apart from the war settlements, and its scope determined and its functions defined in an atmosphere far different from that prevailing when Wilson sailed for Paris.

As frequently and as angrily as Kahn assailed the League, his attacks were mild beside those he hurled at the Treaties themselves, the reparations clauses, and the unscalable tariff wall the United States threw up around itself after the war.

The "so-called peace treaties," Kahn contemptuously called them, charging that it would be difficult to find in the whole

history of treaty making any parallel to the large-scale bad judgment and the disastrous aftereffects of the pacts concluded at Versailles, Saint-Germain, Neuilly, Trianon, and Sèvres. Catastrophic to the victors, the vanquished, and the world at large, they precipitated economic and political chaos, laid the foundations for interminable strife, overlooked or arbitrarily set aside the historical logic of centuries, tore asunder peoples who belonged together and flung together races that belonged apart. "Ill-contrived, disingenuous and untenable," he railed, adding that the treaties had impaired consuming power all over the world—destroyed it, in fact, in some areas—and freakishly stimulated or depressed producing power.

In 1922, in an address at Barnard College, he said that the blight of these "ill-omened instruments" lay upon all of Europe. "Undertaking to create a new world by their fiat, the framers of the treaties carved up with sweeping and iconoclastic arbitrariness the maps of Europe, Africa and Asia, brushing aside actualities, unmindful of demonstrated qualities or disparities of races, and disregarding economic realities and results.

"Endeavoring to reconcile justice and wisdom with expediency and, all too often, with considerations of domestic policy, they sowed the seeds of dissension and ill-feeling among nations that had been brothers-in-arms, and they sowed confusion, discord and strife throughout Europe."

In a letter to Lord Robert Cecil, whom Kahn had known in London, he praised the "wise and farsighted" Fourteen Points, but castigated the treaty makers. "They said," he wrote, "this is the year one of a new era. From this day on, as we three men in our wisdom have determined it, so Europe, Asia and Africa shall look and move. As we have disposed of the world, thus it shall remain forever." The bitter sarcasm implicit in this remark measures Kahn's perturbation, for he seldom took refuge behind its cutting edge. He said what he thought, frankly, lucidly, straight out.

His preoccupation with the economic balance of the world led him to see in the reparations agreements a threat to world stability even more grave than the political abortions of the treaties.

Shortly after the sum of the reparations was fixed in the London ultimatum of May, 1921, he began to point out the damage that insistence on that amount would wreak on the world. He pointed up the deficiency of reasoning which led the Reparations Commission to establish 132 billion gold marks as a fair figure, and warned that even if such a payment were possible, it could be made only after industry and commerce had been so ravaged that the entire natural economic intercourse of the world would inevitably suffer. The second inescapable concomitant would be the depression of the standard of living in Germany to a point both unacceptable and intolerable. But Kahn was convinced that Germany, which had already been stripped of property which Rathenau estimated at over twenty billion dollars, which had paid one and a third billion dollars as the cost of Allied occupation, and whose postwar currency was built on the flimsy paper mark, could not possibly ever pay the reparations demanded. Many other well informed persons agreed with him, including John Foster Dulles, who had served as counsel to the American Peace Commission.

Kahn predicted that complete collapse, economic chaos, and civil war would inevitably follow in Germany if an "iron hand policy" were pursued. "The arms of Soviet Russia are ominously outstretched toward her," he warned direly and prophetically.

Kahn's plan for forestalling disaster called for a moratorium of several years, to enable Germany to put her economic house in order, under Allied supervision and with whatever Allied cooperation was necessary. Such a moratorium would stop the inflation which had already shattered German economic stability; it would facilitate establishment of a rigorously enforced tax-collection system; and lastly it would invite a balanced internal economy, giving proof simultaneously that the Allied nations were not the heartless vultures and international Shylocks of popular cartoons. At the end of a moratorium, Kahn proposed, the German nation should pay whatever reparations were practicable.

He pressed for American representation on the Reparations Commission, for the United States delegate had sat merely as an

unofficial, nonvoting observer. Unlike the isolationists, Kahn held that our participation in commissions not subject to the League of Nations could only redound to our benefit and ameliorate international conditions.

Tariff and labor problems and Allied debts vexed Otto Kahn nearly as severely as reparations, although he attacked both less savagely than the treaties.

The return of the Republicans to power in 1920 brought a return to the high protective tariff policy, which had been a campaign issue since the Cleveland era. The American historian Faulkner attributes its formulation in the postwar period to two factors: first, the agricultural distress that followed in the wake of the war boom; and second, money interests, who used the nationalism enkindled in the war years to enforce protection of American industry. An emergency tariff was rushed through in a special session of Congress in May, 1921. A more detailed act, the Fordney-McCumber tariff, was passed in September, 1922.

Kahn opposed both, seeing especially in the second bill a measure certain to strangle foreign commerce and to injure ultimately the very American industries it was designed to aid. He carried his plea to businessmen and bankers, knowing that he could not move the Congress, which he found "obstreperous."

"There are only a very few ways in which foreign nations can discharge the interest on the debts owing to us, let alone the principal," he said, "and of these ways the most available is to furnish us with goods and services. If we want the foreigner to buy from us, we must be willing that he should also sell to us. Trade, in the long run, cannot be a one-sided matter of sensational export balances."

The old principles of protection could no longer be applied in the old-fashioned haphazard and extreme way. Kahn viewed the tariff from two positions, As a financier, he saw the economic hazards attending excessive duties. "Having become a creditor nation, we have got now to fit ourselves into the role of a creditor nation. We shall have to make up our minds to be more hospitable to imports. We shall have to outgrow gradually certain inherited and no longer applicable views and preconceptions and

adapt our economic policies to the changed positions which have resulted from the late war."

The labor question was, if anything, even more pressing. Although organized groups had made gains relating to wage rates and working hours between 1900 and 1914, the advances bore little relation to the level of national productivity; and when a general reaction set in, accompanied by strikebreakers armed with clubs and guns, labor discovered that it was little better off than it had been in the prewar years. The workers who had prospered to some extent during the war suffered financial setbacks in the postwar depression. Estimates of minimum "health and decency" incomes were fixed at $1,820 to $2,080 a year, but the average worker's yearly income was $1,500. And, as Schlesinger points out, many incomes fell below the average.

The average work week was fifty hours, with women and children working sixty and seventy hours a week in the South. Yet the courts pronounced regularly against corrective measures. Chief Justice Taft of the United States Supreme Court called labor "that faction we have to hit every little while" in 1922.

Such a sentiment was not only alien but abominable to Otto Kahn, who, immediately after the war, became a voluble advocate of improved relations between labor and business. He suggested a five-point program which was first published in 1919. It provided first for recognition of the fact that the workman was neither a machine nor a commodity but a man of sensibility and reason, a collaborator with capital. "He must be given an effective voice in determining jointly with the employer the conditions under which he works, either through commitees in each factory or other unit, or through labor unions or through both."

He pressed the employer to recognize and declare honestly and willingly the dignity and status of the worker and the consideration due to him and his views. "The employer's attitude should not be one of patronizing or grudging concessions."

An indispensable point of Kahn's program was the establishment of the closest possible contact between employer and employee. Arrangements for the immediate adjustment of grievances must be provided and watched carefully to assure their con-

tinuing efficacy. Every feasible opportunity must be given the laborer to inform himself on the workings of the business of which he was a part. He even went so far as to suggest that the workers should have representaion on the boards of directors of the corporations for which they worked, "whenever it is really desired by the employees."

No workman should be deprived of employment without valid cause. His living conditions should be the constant concern of management, which should ensure that every laborer have sufficient income to maintain himself and his family in dignified and attractive surroundings. "Nothing is of greater importance. To provide proper homes for the workers is one of the most urgent and elementary duties of the employer; or if he has not the necessary means *then it becomes the duty of the state.*"

The worker must be relieved absolutely of the fear of sickness, unemployment, and old age, he declared. (This was only one of Kahn's principles which Franklin D. Roosevelt was later to enunciate.) "It is utterly inadmissible that because industry slackens or old age befalls a worker he and his family should therefore be condemned to suffering or the dread of suffering. The *community* must find ways and means of seeing to it, *by public works or otherwise,* that any man fit and honestly desirous of doing an honest day's work shall have the opportunity to earn a living. Those unable to work must be honorably protected. The only ones on whom a civilized community has a right to turn its back are those unwilling to work."

The fifth point of Kahn's program was a living wage which would not only permit the worker to "keep body and soul together, but to lay by something to take care of his wife and children, to have his share of the comforts, joys and recreations of life and to be encouraged in the practice and obtain the rewards of thrift."

He demanded more leisure for the worker, so that he might learn to enjoy art, literature, music, and drama.—This only shortly before the president of the National Association of Manufacturers declared that leisure bred radicalism.

In 1919 he was even more progressive than some prolabor

spokesmen, a fact which he freely—even proudly—acknowledged.

"Some people may regard certain of my suggestions as closely approaching socialism. I believe, on the contrary, that measures of the kind and spirit I advocate, far from being in accord with the real Socialist creed and aim, would be in the nature of effective antidotes against Socialism and kindred plausible fallacies," Kahn stated.

Such projects as public works, public housing, and public welfare were regarded as dangerous and daring in 1919. In his whole view of the labor problem Kahn was ahead of most of his contemporaries. Wilson's announced intention to call a White House conference to discuss "fundamental means of bettering the whole relationship of capital and labor" came four months after Kahn's memorandum. To assert, as Kahn did, that labor had a "rightful resentment" against exploitation and a right to "obtain the redress of just grievances" was to take a stand just short of the extreme left in an era when business had secured the endorsement of public opinion; when businessmen were on the threshold of sanctification under Harding and Coolidge; when Bruce Barton's *The Man Nobody Knows,* glorifying Jesus as the founder of modern business and the world's outstanding executive, was to be the nation's nonfiction best seller for two years.

In the reconstruction period Kahn's political effort centered on the task of awakening the American people to a consciousness of their new role in the drama of social and political evolution. He saw history as a continuous, uninterrupted, forward movement, a progression which, he hoped in 1920, had been halted for the last time by frenzied nationalists. His mission was to alert the nation and push it into the marching column:

"We are living in a portentous time, big with the destiny of the world, for good or ill, for many years to come. It challenges the capacity of the American people to play worthily the part which the turn of events has made theirs. We must not shirk the burden of leadership. Our collective responsibility, as well as the individual responsibility of every American, is heavy in the face of the times."

Weighted with an awareness of this responsibility, Kahn, for

the first time, took an active part in American elections in 1920. He was an early supporter of General Leonard Wood, who wrote him after the convention thanking him for his enthusiasm and interest and concluding bitterly: "It was a case of the old Cabal. There is but one thing to do now, and that is do the best we can for the country."

Kahn agreed. He had characterized Harding in June as a "calm-minded, unspectacular, resolutely American type," a cautious appraisal at best. In the fall he observed tartly that the election was "merely the first step, putting the tiller into the hands of the Republican party. The test will be in the steering. Let us hope that when it comes to that, the many fools who are dabbling in the Republican machinery will be duly relegated to . . . being hewers of wood and carriers of water and will be kept at a safe distance from the machinery, which is by no means foolproof."

In September he had his private car coupled onto a New York Central train and traveled to Marion, Ohio, to meet the candidate. They conferred in Senator Harding's study, then confronted reporters who had gathered in the yard. Standing together on the front porch, the two men issued separate statements.

"America first, and afterwards a righteous relationship with the rest of the world," Harding said.

Kahn remarked on Harding's dignity, his sincerity, his clear judgment and his high conception of public service, and added that anyone who thought Harding "a standpatter, in sympathy with reactionary views, a man who can be controlled by any clique or combination will make a great mistake."

Harding, for his part, saw in Kahn a great banker, a cosmopolite. He may have formulated then his resolution to lean on him and draw on his knowledge and experience. Will Hays, the chairman of the Republican National Committee, appointed Kahn to the Executive Committee on Policies and Platforms, a key council of the party. Kahn offered suggestions for the conduct of the campaign, investigated conditions throughout the country, formulated platform planks, drafted parts of Harding's speeches, and worked on publicity. He contributed a small amount, estimated at $5,000, toward campaign expenses. (In

1924, his contribution would be $7,000; in 1928, $25,000.) After Harding's election, Kahn visited the President and his wife at the White House, taking lunch with them and golfing with the President. He advised Harding on foreign relations and, occasionally, on such domestic issues as the sales tax.

But, usually generous in his written and spoken praise of the men he admired, he maintained silence on the subject of Harding. He never revealed what he thought of him. There can be no doubt that he had few illusions about the President and his circle, although he admired Hoover, Mellon, Wallace, and Hughes, all of whom were in the President's cabinet.

Kahn spoke out against business in Congress in January, 1922, one month after he had written Myron Herrick who was then the Ambassador to France, that "the country is afflicted with one of the most obstreperous, troublesome and inefficient Congresses that it has ever had, at least within my recollection."

When Harding died, Kahn was unable to summon more than perfunctory grief for the man of "eminent virtues and merits as an American public servant," as he called the President in a cable to Florence Harding.

His influence on Harding after 1920 was insignificant. Although he worked through the campaign in the candidate's service, Kahn fell ill in the crucial last week before the election. He was confined to bed in October and November of 1920, convalescing first in New York, then White Sulphur Springs and Palm Beach, where he remained excepting for short visits north, until March.

In May, 1921, he sailed for Europe; he spent part of the summer recuperating at Evian-les-Baines and other spas. When he prepared to return to the United States in August, his European physician forbade him to travel. Thus he was out of the American political picture from just before Harding's election until two months after Edward Doheny handed Secretary of the Interior Albert Fall the now-famous satchel containing $100,000—the "loan" which assured Doheny's grasp on the naval reserve oil holdings at Elk Hill, California. During Kahn's absence the "Ohio gang" had entrenched themselves in Washington.

The Ohio gang hated Kahn's circle. Doheny was calling Frank Vanderlip a Bolshevist and hinting that Thomas Lamont was a fringe case at the very moment that Kahn was proposing the two men as members of a Board of Economic Strategy. Kahn during these months was preaching war-debt cancellation, a reparations moratorium, lowered tariffs, international cooperation, an end to isolationism, and other plans equally unpopular among the Republicans in Washington. Harding's cronies were well aware of his prestige and strength.

Kahn's influence in finance was great. During the war he had emerged as one of the most important figures on the international scene, having been designated Chevalier of the French Legion of Honor in the autumn of 1918; Commander of the Order of the Crown of Italy in February, 1919; Commander of the Order of the Belgian Crown in November of that year; Commander of the Legion of Honor in June, 1921; Grand Officer of the Italian Crown in September, 1921; and Knight of the Order of Charles II of Spain. He had come to be known as the "most decorated American." Foreign governments constantly sought his advice and opinions. American universities bestowed upon him honorary doctor of laws degrees. Before the convention, Indiana bankers had even proposed that Kahn be considered in the search for a presidential candidate.

Harding knew the extent to which Kahn could help him. He knew his worth. In the autumn of 1921, he consulted him, with a view toward naming him to the Advisory Council to the American delegation to the Armaments Conference. What would Harding's record as President have been if he had had an Otto Kahn behind him, counseling, prodding, planning, instead of Harry Dougherty and Fall? Perhaps he would not then have had to make the devastating admission to Nicholas Murray Butler: "I am not fit for this office and should never have been here."

From the time of Harding's nomination, Otto Kahn waged his personal fight against isolationism on several fronts; and, acting as a private citizen, he strove to renew ties of friendship and accord between the United States and the nations of Europe.

Working through several organizations, he drafted statements and bulletins zealously. An especially congenial group with which he worked actively after 1918 was the Council on Foreign Relations, which was founded in the late spring of 1918 when a small group of forward-looking men conferred at the Metropolitan Club in New York to discuss vital problems relating to the United States' new role in the world. "A continuous conference in world affairs" was their declared policy. Experts from Europe and the United States lectured at the meetings, which were held every two weeks during the winter, monthly during the summer. The topics of discussion ranged from reconstruction in Europe and bases for a durable peace through radical experiments in Europe, foreign trade, the American press, and immigration to Mexico, Russia, and China. Each meeting ended with a forum discussion of the subject of the day.

The original organization, which was comprised of bankers, publishers, diplomats, and industrialists, was amalgamated in 1921 with a liberal group, founded at the Paris Peace Conference, called the Institute of International Affairs. Among its members were United States Commissioners General Bliss and Colonel House, Christian Herter, Herbert Hoover, Thomas Lamont, and a generous sprinkling of scholars of the stripe of Archibald C. Coolidge of Harvard, Clive Day of Yale, Stanley Hornbeck of Wisconsin, James Shotwell of Columbia. When the two groups joined in 1921, wags observed facetiously that it was a happy marriage of brains and money. In point of fact, there was a fair distribution of both in both factions.

When the organizations merged, Otto Kahn, who had served on the Board and the Executive Committee of the original Council, was one of the incorporators and a member of the new Board, on which he remained until his death in 1934. He attended the general assemblies, afternoon and evening forums and study groups, helped plan programs, and contributed heavily to the important magazine *Foreign Affairs,* which was launched to give the Council both impetus and a voice. Through the Council Kahn exchanged views with the prime ministers, cabinet members, foreign ministers, premiers, presidents of nations and col-

leges, and members of European royal houses who were its guests. He drew on the Council for strength and inspiration during the dark years when it seemed that every man and woman in the United States was "wearing blinkers."

When French journalists speculated anxiously about *"la nouvelle politique du Président Harding,"* when they asked whether it was true that indifference and isolationism had corroded American thought, whether the country could shut itself off from the world, Kahn replied:

"Elle le pourrait. Mais elle n'en a pas le droit. Aucun peuple ne peut, sans déchoir, se confiner dans l'égoïsme. Plus une nation est priviligée, plus elle a de devoirs envers les autres peuples, et plus elle est necessaire à l'organisation du monde."

This admonition formed the core of Otto Kahn's anti-isolationist speeches, essays, and statements. In the United States he reiterated it endlessly, hoping by the sheer force of countless repetitions to make it fact.

When Kahn returned from his tours, his opinions were zealously sought by the press, which printed and reprinted them, in Tokyo, Smyrna, Cairo, Budapest, Vienna, and every major western European city. "He has rendered a service to peace and understanding," said one editor. *"Ami chaleureux et loyal,"* wrote another. "Common sense wins Paris," *"généreux et dévoué,"* "intelligent," "lucid," "splendid," "frank," "invaluable."

At home his liberal outbursts brought conservative scorn down on his head. Democratic and liberal factions regarded his stand on reduced income taxes as a rich man's treason. Very few editors published outspoken criticisms of his views, but they found subtle ways of sniping at him. "Who is the leading banker of America?" asked a headline in the New York *American*. The answer: "There isn't a banker in America who stands head and shoulders above the herd . . . Otto H. Kahn has high ability, but he has a passion for public affairs and a talent for society, both of which divert his mind from banking."

Another publication accused Kahn of hidden motives. It warned country editors that he would not sit up nights writing material for publication unless he had some self-interest to be

served. "Throw the stuff in the wastebasket, unless he pays to advertise," it advised. "Is there any reason why Mr. Kahn should ride in a streetcar without paying his fare? Not at all. . . . Why then should he expect to use the vehicle of the publisher for nothing?" The editor added that the same strictures should apply to Morgan and Rockefeller.

When Kahn appeared before the New York Transit Commission, the *World* boxed a twenty-one-line, tongue-in-cheek report on what he wore, noting his gray cutaway, black shoes, lavender shirt, scarf, waistcoat and waistcoat slip, pearl stickpin, gold wristwatch, yellow rose boutonniere, and waxed moustache, but pointedly omitting reference to his testimony on transit problems. The *American* reported his statements, but referred to him deprecatingly as "a clever witness."

The disparaging note sounded by the newspapers was reflected in Kahn's correspondence, in letters such as the following: "Dear Sir: Since your return from Europe you pose once more as an American patriot. Eel-like, you try to wriggle out of your predicament since the exposure of your international well-poisonings and pro-French machinations. *Du Judd.* [*sic*] *Du Hypocrit!* You anarchist! You stinker! You cut-throat!" Kahn faced it all with equanimity.

Certain newspapers supported Kahn only when he reprimanded France for bellicosity or predicted prosperity or upheld America's stand on the League or proffered a defense of American standpatters or cited figures to prove how much America had lost on the war. They ignored his high-minded statements on isolation, which appeared by the score in European papers. And the vociferous praise which had been accorded him in 1917 and 1918 was conspicuously absent from American newspapers three years later. He was not given less space than before. On the contrary, newspaper coverage of Kahn increased steadily almost every year of the decade; but the tone of the reports was markedly subdued in 1921.

There were exceptions. The New York *American* reprinted an enthusiastic appraisal by T. P. O'Connor, whose original article on Kahn had appeared in the London *Times*. The *Journal of*

Commerce spread the phrase "Duty to the World" in the headline of an interview with him. The *Wall Street Journal* praised his address before the British Empire Chamber of Commerce as "able and instructive."

Journalists began to look behind the statements and examine the man who thus became the subject of many "profile" articles. They appeared in several series—lives of great men, personalities, men who are making America, success of the foreign-born, personalities and powers, financial giants, American opinions—and some were nationally syndicated. In them, writers elaborated in detail upon his industriousness, his love for music and art, his erect bearing, his self-discipline, his democratic attitudes, his dignity, and his generous use of his fortune. Each article, illustrated by a candid or posed photograph, made Kahn's disposition, tastes and opinions, his boutonnieres, his high collars, his doodles, his silk hat, his white hair and dark eyes and jaunty moustaches as familiar to the American reading public as Will Rogers's cowlick and Lindbergh's crooked smile.

The American public came to regard him as a man more approachable than the neighborhood greengrocer. Men and women in the humblest circumstances thought of him as a generous uncle: "I know you have only to pick up the telephone to get my son a job." Eccentrics turned hopefully to him for support. One week's mail brought letters from a banjo virtuoso, asking to be allowed to play at the Kahn house; an inventor of mudpack facials, seeking a sponsor; and a fanatic armed with a scheme to clear the beggars out of Jerusalem. Kahn begged to be excused.

It was not surprising that Kahn, who was the cynosure of every New York eye, should be proposed for public office in the city he had made so completely his own. In October, 1924, *The New York Times* printed the report that he would be invited to run for Mayor on a reform Republican ticket against incumbent John Hylan. Sponsors of the movement felt that he would be the "ideal candidate," commanding a view of the varied fields of finance, art, philanthropy, and government. Kahn denied any knowledge of the plan.

Editorial response was heartening. "He ought to be drafted. It is fitting that he should be Mayor," and "Compare, if you will, the average mayor with Kahn." "He is the finest type of citizen this city has." But Kahn did not want public office. He repeatedly stated his belief that he could serve the public better as a private citizen than as an officeholder, and declined. It was all very well to be known as the King of New York, as Max Reinhardt and Will Rogers had called him, but to be Mayor was quite a different matter.

It was only after the 1928 campaign, toward which Kahn contributed generously, that he began to show for the first time an inclination to be drawn into American politics.

His first step, a very short step, was taken cautiously, on home ground. He accepted the chairmanship of the Suffolk County (Long Island) Republican Campaign Committee in the second week of October, 1929. Republican county leaders, who had unanimously chosen him, were gratified at his acceptance; for he was known for his probity, and his selection was accepted as a healthy sign that the days of "skulduggery and barroom politics" in Suffolk County were ended. His duties included the raising and expenditure of local campaign funds, to be used to combat the Tammany Hall campaign in that area.

It was barely fifteen days later, on October 26, the very day that he entertained three hundred Suffolk Republican leaders at luncheon at his house at Cold Spring Harbor, that the announcement was made of the much more important role Kahn had also agreed to play in the campaign: that of treasurer of the Republican National Senatorial Campaigns Committee.

The *Evening Sun* actually broke the story in a news brief in its late editions on the twenty-fifth, noting simply that Kahn had been offered the treasurer's post by Senator George H. Moses of New Hampshire and had accepted. One hundred and thirty political leaders and businessmen at dinner at the University Club had been the first to learn of Moses' choice. The *Times* of the next morning confirmed the appointment, but seized on the most sensational aspect of the story and headlined its column "REPUBLICANS TO WAR ON REBELS IN THE SENATE."

The forthcoming campaign would be a struggle, not only between parties, but between the conservative and progressive elements within the Republican party itself. Senator Moses had personally selected Kahn, it was said, in the hope that he could marshal forces against the Progressives who were staunchly opposed to both President Hoover and to the tariff bill which was then before Congress.

Even at the moment when the first announcement was made, several contradictions and anomalies were evident. Why was Kahn selected at such a crucial juncture, when he had little or no experience with practical politics? Was it possible that he had been chosen to spearhead the fund-raising in a campaign directed against the very progressives whose views he often shared, whose friend and admirer he was? Only three "insurgents" were actually up for election: Borah, Norris, and McMaster. Who could believe that a special treasurer was necessary to conduct a campaign against three men, one of whom (Borah) was so firmly entrenched that there was virtually no possibility of defeating him, even if Hoover had wished it? Finally, could he have been expected to oppose legislators fighting the tariff bill, when Kahn himself was opposed to that tariff and those which had preceded it?

An angry controversy raged; but it was fired more by the interpretation political writers had drawn from Kahn's appointment than by the appointment itself. Every commentator saw in the appointment evidence of a party war between conservatives and progressives. Some writers insisted that Moses had not informed other Republican leaders of his choice, but had simply made the announcement at a public dinner, where no one could protest. Certain administration figures commented on the political folly of having an international banker to raise funds for the party campaign, a cry which was taken up at once by progressives who did not know Kahn personally and feared that the selection of a "Wall Street banker" would damage Republican chances in the West. Other progressives expressed a more realistic view and admitted that neither Moses nor Kahn could have any

motive whatsoever for working against them. Eastern Republicans said that Kahn had accepted the post under much pressure, in the belief that he could help the party, and that he had no knowledge of nor desire to become involved in a party war. Kahn said nothing.

Three days after the initial announcement was made, the smoke of battle and the haze of confusion began to lift; and it became apparent that the issue at hand was neither Otto Kahn's appointment nor the question of a conservative-insurgent war. It apparently was a patronage dispute, pure and simple, "the latest and bitterest row between President Hoover's White House coterie of political advisers and Republican Senators." The fomenters of the row were said to have been a "little White House clique" that included a Cabinet member, the Postmaster-General and the general counsel for the Republican National Committee. The plain implication was that they resented Senator Moses' appointment of Kahn, first because they had not been consulted and second because they had selected someone else for the position.

In a surprising reversal of what had been represented as their roles four days before, Borah and Norris joined Senator Moses on October 28 in an all-out attack on "President Hoover's White House political machine." The man they singled out for their attack was James Burke, the party's national committee counsel. Borah came out openly for Kahn, denying that he had ever objected to him: "A man of great wealth, but also a gentleman." Borah confided to the *Times* correspondent that none of the progressives were opposed to Kahn. "He is a man of the highest character, and it is character, not wealth, that counts." Norris confirmed Borah's statement endorsing Kahn and attacked Burke as a hypocrite and a finagler.

The conclusion reached by virtually everyone concerned was that the motive behind the anti-Kahn campaign was "the determination of the White House coterie to dictate and control all appointments and party finances, even to the naming of a Treasurer for the Senatorial Commitee." On the twenty-ninth, it seemed that the fireworks had sputtered out and that Kahn would

encounter no further opposition. But in three days he had been sufficiently battered in the national political maelstrom to have decided that, having lived sixty-two years without playing an active role in politics, he would be more comfortable if he remained on the outside, an observer rather than a participant.

In a letter to Senator Moses, Kahn declined the treasurer's post. He had felt from the beginning that he was not the right man for the job, he said; and the "divided reception" which he had received "confirmed the validity of the doubt which I ventured to express to you." Kahn concluded that he was justified in refusing the post.

In 1930 he refused to support Heywood Broun for Congress on the Socialist ticket, although he thought the party "well-intentioned in its purpose," some of its exponents "sympathetic and worthy," like "some portions of its immediate platform."

But two years later Kahn was highly critical of the Republican campaign: "started too late and in several respects lacking in skill and punch and understanding of popular psychology." The same year he made an election bet of three hundred dollars on Franklin D. Roosevelt and voted for him. "Strong, able; his attitude and actions promise very well . . . [he has] power to rise above petty party manoeuvers and self-seeking party men." As long as this crisis had to befall this country, Kahn said, it could not have come at a more opportune time.

Twenty years before, Kahn would have lacked the knowledge to pronounce on "petty party manoeuvers and self-seeking party men"; but after 1929 he could speak from direct experience. What his own misfortune at the hands of Republican politicians had not taught him, the administration's handling of the depression had. He was too great a humanitarian not to have suffered for that pitiful army marching from Anacostia flats up Pennsylvania Avenue. To Kahn, those men and women and children were not the "mob," that Hoover saw. In a letter to Herbert Bayard Swope, Kahn fulminated against the "pusillanimous fatuity" of the administration. " 'Behold, my son, with what little wisdom the world is governed,' especially in Washington and New York," he groaned.

Just as in the last two years of his life Kahn arrived at a final affirmation of his belief in Christianity, so he sealed his last action as a voting citizen of the United States with an X in the Democratic column of his ballot.

PART V

The Final Years

16

The Roaring Twenties

As THE DECADE of the twenties opened, Otto Kahn was fifty-three. His intense dark eyes were well overhung with thick eyebrows which remained predominantly black; but his hair had turned white and his carefully trimmed moustache gray. His high, stiff, rounded collars, his gray spats, the formal clothes he wore to business, the patent leather pumps for evening and the elegant little white waistcoat slip peeping from beneath his vest all stamped him as a sartorial relic from an age twenty years dead. But his mind, like a coil of steel wire, was of the present and the future.

He became a senior partner of the firm of Kuhn, Loeb in September, 1920, on Jacob Schiff's death. Associates who knew him only casually expected that he would give up his extramural activities and devote more of his time to banking. His intimates knew better. Reaching an age at which many men retire within themselves, Kahn became the most inexhaustible and familiar figure in the city. He was ubiquitous and indefatigable.

"In one day," columnist Lincoln Schuster wrote, "Otto Kahn can lay three cornerstones, endow a new opera house; attend *Chauve-Souris,* the Ziegfeld Follies and the Theatre Guild; occupy his box at the Diamond Horseshoe, preside at banquets of the Art League and the Authors Club, welcome a dozen visiting virtuosi at the pier, address a music week mass meeting in the Bronx, reorganize two defunct railroads, float an international loan and issue a formal ukase against the excess profits tax, all

without impairing the inimitable twirl of his silver white moustache."

He had not overstated the case very considerably. One note in Kahn's correspondence advises a friend: "I shall leave my office at 4:45, have tea at the St. Regis from 5 to 6, attend the banquet celebrating Colonel Enright's jubilee at the Astor from 7:30 to 8:30, thereafter at the Eltinge Theatre, seats C-2-12." He often made engagements for supper after the theatre as well. On a single day in 1928 he kept fourteen appointments. Franklin P. Adams distilled Kahn's life into a couplet:

"The sun it never shone upon
A busier man than Otto Kahn."

John Murray Anderson remembered Kahn's arrival at the premiere of *Strange Interlude,* which was given in two parts, one at a matinee, and the other in the evening. "At the afternoon session, Kahn wore formal afternoon clothes. He was accompanied by Elsie Ferguson. After the dinner interval, he returned in evening clothes with Max Reinhardt in tow. This led Woollcott to remark that Kahn must have inadvertently hung Miss Ferguson up in the clothes closet."

His ubiquitousness combined with his eloquence to make him the spokesman of a hundred enterprises of the twenties, and director, officer, or chairman of more than seventy organizations and committees. The multiplicity of his memberships became a city joke. "When an honorary committee is about to be launched, the members do two things," Schuster wrote. "First they make Otto Kahn chairman. Then they decide what they are organizing for."

His two decades of experience with organizations concerned with a wide diversity of subjects made him an invaluable collaborator. Archaeology, social sciences, Asia, South America, Greece, the Fourth of July, music, drama, art, business, foreign relations, Hungary, the United States flag, memorials, sesquicentennials, fund drives, Spinoza, Dante, Spain, famine relief, and honorary testimonials—Kahn was concerned with them all during the twenties, speaking from scores of platforms and rostrums.

He often said that he liked to talk to businessmen about art and to artists about business, but he soon learned to his disappointment that this was not always possible. Few men of the era possessed his variety of experience and heterogeneity of mind. Babbitts were Babbitts. Radicals were radicals. Musicians were musicians.

Only when he addressed a college group was he able to expand on a variety of subjects. His Barnard College address on "Immediate Issues" in 1922 mirrors perfectly the comfortable feeling which came over him when he spoke to a young audience. He discussed methods of government, the farm problem, industrial prosperity, the tariff, labor, capital, income taxes, surtaxes, tax revision plans, sales taxes, the peace treaties, the League of Nations, reparations, France, Germany, isolationism, the Allied debts, and the future role of the United States in world affairs. He had an abiding faith in the ability of the young to absorb, to think, to reason, and to seek a solution for every problem.

"I have no quarrel with the younger generation," Kahn said in 1927. "They are opening their eyes wide. They are looking at things for themselves. They are not taking everything for granted simply because it happens to exist. They have great curiosity. They are unwilling to accept the 'say-so' of their elders. That desire to examine things and values and find out whether they are genuine or false, I consider to be a healthy and hopeful characteristic. I am fully in sympathy with it. . . . The unrest and striving of modern youth show a tendency toward progress."

His Wesleyan University address of November 15, 1923, on "European Impressions" is of similarly wide scope. Like the Barnard speech, it too was delivered to faculty and student body, whom Kahn found the most responsive of audiences.

Roughly half of his public addresses were on current affairs. The other half dealt with art, theatre and music, inevitably since he had become the most respected representative of the arts in America. His thoughts were sought on every imaginable aspect of art; his opinions quoted and requoted in every controversy.

During the twenties, Kahn's observations on music centered on

jazz, on democracy in music, and on the role of Americans in opera.

"JAZZ MUSIC UPHELD BY OTTO H. KAHN," announced a New York *Times* headline of August, 1924. Unexpectedly, between a comment on railroad consolidation and the observation that "I shall be strangely silent" on the Dawes Plan, came Kahn's first defense of jazz. "Not a fad," Kahn said, "but an expression of art worthy of being encouraged. Such expression should be given scope. Out of this jazz wave, developed in America, there will come a medium of artistic expression in music which will be characteristically American."

Kahn went on to praise the music of Gershwin, in whom he was already interested. (Later, he became an "angel" of Gershwin shows on Broadway.) "Not a passing phase. It is of a serious purpose and is promising art."

The press was taken unawares. "We thought you had always been a devotee of only classical music, Mr. Kahn," a reporter stammered.

"Thank God, I can appreciate artistic things, even though they are not classical. And I am always interested in the development of any promising art movement in America," Kahn replied.

When he continued his defense of jazz the following winter, newspaper headlines proclaimed his new cause: "OTTO KAHN LAUDS JAZZ" and "GOOD JAZZ BEATS OUT POOR OPERA." In an address made on behalf of the Brooklyn Little Theatre movement, Kahn called jazz "imperfect, but vigorously alive, novel and distinctive. [It] has a just claim to be taken seriously. It has more right to be ranked as . . . American art than a savorless grand opera composed with painstaking erudition and technical impeccability after the model of Wagner, Debussy or Strauss."

Here he jabbed good-naturedly at the American operatic composers whose compositions were paraded regularly across the Metropolitan Opera stage, one dismal box office failure on the heels of another. During the years of his chairmanship at the Metropolitan, his search for a great American opera became a company joke, for many of the operas were undistinguished at best, their eclecticism embarrassing to singers and critics. The

soprano Frances Alda, rehearsing Damrosch's *Cyrano de Bergerac,* lost her place in the score and turned to another member of the cast:

"*Ohè,* Amato, where do we go from here?"

"From Gounod to Meyerbeer," Amato replied quickly.

During the rehearsal of another American opera, the Italian bass Pini-Corsi kept bowing deeply—apparently to no one—his hat held reverently over his heart.

"Whatever are you doing?" Alda asked.

"Saluting the spirits of dead composers," he answered.

By 1923 not only Alda and Gatti, but also Kahn and every other member of the company were dismayed at the pastiches of borrowed music which American composers patched together and called original works. Gershwin and jazz, exploding with vitality and originality, offered encouragement. "The sap is running strongly in American art," Kahn said.

"It is easy enough to deride and disparage jazz, but any movement which in its rhythm and other aspects bears so obviously the American imprint, and has taken so firm a footing in our country, has a just claim to be taken seriously." Kahn noted that jazz was of great interest to every foreign composer who visited the United States.

"Just as gypsy and similar bands in the southeastern countries of Europe are an expression of the arts of their respective peoples, so a first-rate jazz band, or particularly a first-rate Broadway revue or musical comedy, with its swiftly rushing pace, spontaneous grace, zest and swing of its dancing, the tang of its humor, the kaleidoscope of its color, the hustling, palpitating rhythm of its orchestra have claim to be ranked as American art," Kahn said.

His interest in any indigenous American art was genuine; when he spoke enthusiastically of filling Ravinia Park by casting Al Jolson in *Jonny Spielt Auf,* an appreciation of Jolson's art lay behind the idea. Kahn's enthusiasm for jazz was stimulated by his younger son Roger, who had won acclaim as the fifteen-year-old leader of a jazz orchestra. Few parents of Kahn's class and generation would have tolerated such apostasy on the part of a fifteen-year-old; but Kahn, remembering his own youth and the

role music played in it, encouraged Roger, and pointed happily to his talent. After the New York premiere performance by the Théâtre de l'Odéon of Paris, he invited director Firmin Gémier, French Ambassador Jules Jusserand, and the American Assistant Secretary of State to dinner at the Hotel Biltmore, where Roger Wolfe Kahn's orchestra entertained them.

Simultaneously with interest in jazz had grown Kahn's interest in the potential of the American Negro. He called attention more than once to the African origins of jazz and to the vitality the Negro brought to music. As always, when he stepped over the conservative line and showed his liberal colors, editors from the extreme right attacked him. The *Wall Street Journal* gave vent to editorial anger over his claim that jazz was an expression of the spirit of American life; "a claim Americans are likely to resent when they consider its origin among the black aborigines of Africa and its progress through the slave cabins of the south and the night resorts of New Orleans and San Francisco."

"His opinion will not be accepted," *The New York Times* predicted gloomily, protesting at the same time "all due respect" to Kahn's judgment. "His defense of jazz need not be accepted as adequate. Some, and indeed many, will do more than hope—they will say—that he is not right in calling jazz a characteristic manifestation or expression of the American spirit, and therefore worthy of consideration as something original."

The *Times* went on to scourge jazz as the handclapping and tom-tom beating of savages. "To decide the merits of jazz as compared with other music, one has only to compare the intelligence of those who like it with that of those whom it wearies or offends," the editor concluded piously.

Editors occupying desks in less rarefied atmospheres than that surrounding the *Times* acclaimed Kahn as the first serious apostle of the new art. Here is a competent verdict, they said, confirming that jazz is art, and "American art at that." Kahn is right, they announced. His thesis is sound. Great composers have always carried the stamp of the land from which they sprang. "When the American spirit is properly caught, as Mr. Kahn says, we shall have real American music."

A heated controversy ensued. Kahn, undaunted, revealed that he had approached Jerome Kern six years before with the suggestion that he write an opera for the Metropolitan. It was said that he discussed a similar project with Irving Berlin, who declined, protesting that his musical training had not equipped him for such an undertaking. Gershwin was the third composer Kahn had considered.

Kahn's vision of a "jazz opera" was a modern American piece, the heroine to be a shopgirl, stenographer, or factory worker, with bobbed hair and an emancipated outlook on life. Not the love of an Indian maiden for the paleface hero, he pleaded.

"JAZZ FOR THE METROPOLITAN," the headlines read, as the boxholders fumed. Forty of them signed a round-robin letter to Gatti-Casazza, declaring that they would withdraw their support if, and when, a jazz opera was produced. "The heroine to chew gum in time with the music!" The last barriers were crumbling between the old Metropolitan guard and the people. Kahn "smashes the conventions with a vengeance," but public opinion was overwhelmingly on his side. Although Franklin P. Adams predicted that *Faust* would be rewritten as *At the Devil's Ball* and *Tannhäuser* as *Those Venusberg Blues,* he joined the enthusiastic chorus of men who felt that first-rate modern music was preferable to tenth-rate opera. Steadfast conservatives disagreed.

The controversy roared on for years. Gilbert Seldes, writing in *Vanity Fair* in March, 1925, speculated on possible titles: would it be *Il Presidente Calvino* or *La Bella di Nuova York* or *Teodoro Teddy?* Gatti would suffer a black eye and a broken leg on opening night, he predicted, for the boxholders would not brook progress.

Editorial digests of the wrangle proved that Kahn enjoyed the enthusiastic support of a large majority of those who commented. Why should the Metropolitan reject progress? Carnegie Hall had opened its doors to Paul Whiteman and Vincent Lopez. Was the Metropolitan a *sanctum sanctorum?* If so, then why should the public support it?

The whole thing began to smell faintly like the New Theatre

fracas of fifteen years before. Kahn, remembering, stood firm. The democratization of the theatre was a dream he would not abandon.

He carried his arguments directly to the people in public addresses. The masses are forced by necessity to live out their lives in a framework of drab routine, he said. This is the very reason why we must lay open to them "the beautiful pastures of art."

"My aim is to bring the best music to the masses at a price all may be able to pay—say a seat in the high balcony for seventy-five cents, or even less," Kahn said.

Editors took up his cry. "What a halcyon spot this work-a-day world of strife would be if we had more Otto Kahns! He has made the world better. Otto Kahn lives indeed the life of service to his fellow man," wrote the Boston *Telegram,* voicing the general burden of public opinion.

At the highest pitch of the discussion about jazz opera, Kahn made three public addresses which merely served to underscore the breadth of his interests and his respect for the beliefs of others. The first, to the Catholic Writers Guild, hailed the Catholic Church as the mother of Christian, high medieval, and Renaissance art, the patroness, the staunch and potent defender of art in all its forms.

Here he was carried away by emotion. The very marriage of religion and art was consecrated by an illustrious line of Popes, Cardinals, and Bishops, he said. That union of the Catholic Church with art must continue, as a force shaping the highest values of life. He rose to oratorical heights he had not scaled since the war, evoking memories of the Crusaders and their cry of "In this sign [the Cross] we conquer." "So let us set out on the crusade of our day, confident that we shall conquer in the sign of those high aims and spiritual aspirations which are cherished, and ever to be defended, by all right-thinking men, whatever their religion or race."

Cardinal Hayes, who had not even been scheduled to speak, rose spontaneously to his feet and said, "I have been so moved by Mr. Kahn's remarks that in justice to him I now arise to thank

him from the bottom of my heart for his tribute to Mother Church. We can thank the Creator for such a man."

One week after this address, Kahn spoke at the cornerstone-laying ceremony for the Theatre Guild, again raising the hue and cry of democracy. In his opening remarks, he reviewed the failure of the New Theatre, killed by "malfunctioning of the heart." It was fed on a diet of "society" ingredients. "It had been born anemic, with a high-toned pedigree, which strangled it."

Kahn said: "We had not realized that first must be the spirit, then the deeds of the spirit, then the followers of the spirit, and then only the house fitted to shelter the spirit. . . . The Theatre Guild . . . without the support of wealth, without the backing of society, has attained the unique position which it now occupies. . . . It is an impressive and significant thing—eloquently indicative of the place which the stage has conquered in American life —that this building was erected not by the munificence of a rich man . . . but by the confidence, the loyalty and the eager interest of the great body of those whom you have made your patrons."

Each liberal utterance widened the gap between Kahn and the conservative Metropolitan boxholders, some of whom believed he was a Socialist.

Kahn was fully aware of their opposition, but he was not a man to be silenced by fear of conservative pressures. Quite the contrary. He actually spoke out in praise of certain aspects of Socialist doctrine, which he had absorbed from the London Fabians thirty years before:

"Not a little [in Socialism] is high and noble; some things too are achievable and desirable. And to the extent that Socialism is an antidote to and a check upon excessive individualism and . . . a busy and self-centered and far from perfect world, grievances to be remedied, wrongs to be righted and ideals to be striven for, it is a force distinctly for good."

A staff employee of the *World* remarked that he had concluded, after hearing Kahn speak, that he was a Socialist.

"He is," replied columnist S. Jay Kaufman of the *Globe*.

Politically he was not, of course, nor could he ever have been;

as he himself explicitly said; "I believe the Socialistic state to be an impracticable conception, a utopian dream, human nature being what it is and the immutable laws of nature being what they are."

His intellectual curiosity led him in 1924 to accept an invitation to speak before the Socialist League for Industrial Democracy. He was the chief speaker; others on the panel were Professor Meade Earle of Columbia University and Socialist leaders Morris Hillquit and Scott Nearing. The topic of Kahn's address was "The Myth of American Imperialism," which he dispelled in a long, sensible defense of American foreign policy. In the closing remarks Kahn denied being a "Standpatter," although no one had ever called him one, and declared courageously that "reaction had done the world more harm than radicalism." But he defended the existing economic system and reproved the radical faction for its concentration upon theory rather than practice, its tendency to air phantom and past grievances and to mouth slogans rather than facts. Finally, he reiterated his old cry for better housing, slum clearance, parks and playgrounds, well equipped, clean, airy hospitals for workers; safeguards against unemployment, illness, and old age; sanitary and dignified working conditions; a voice to express the worker's grievances; a fair share in the fruits of his labor; and access to education, art, beauty, and culture.

It was a balanced speech, calling for moderation rather than excess, and urging a united effort on the part of conservatives, liberals, and radicals to alleviate misery and to work for the common welfare of the American people. The address itself won high praise; the League was congratulated for inviting Kahn to speak.

Long segments of his speech were reprinted and circulated by the Federal Council of Churches in its bulletin. Kahn took this as a signal honor.

In 1923, in the closing ceremonies of the New York City Silver Jubilee celebration, he was designated one of six men who had "done the most good for New York City" during the preceding twenty-five years. Two years later Thomas A. Edison named him

as one of the twelve greatest living Americans, including him with Steinmetz, Ford, Burbank, Holmes, Hoover, Herrick, and Schwab. At the one hundred and sixty-first annual banquet of the New York State Chamber of Commerce in November, 1929, Kahn was designated, together with Nicholas Murray Butler, Thomas Edison, Cass Gilbert, Adolph Ochs, Dr. Henry Fairfield Osborn and John D. Rockefeller, Jr., as one of seven outstanding citizens of the century.

Compiling lists of "the greatest" was one of the popular diversions of the era. Kahn himself was not excused from playing the game. In a poll to name the twelve greatest American women, he selected Jane Addams as his first choice, Ida Tarbell second, and Eva Le Gallienne third, crossing out Carrie Chapman Catt, Maude Adams, Ethel Barrymore, Edith Wharton, and Helen Wills Moody. On another occasion he chose Lillian Wald to receive a national achievement award, favoring her over Amelia Earhart. He named Jefferson and Lincoln as the greatest of deceased American statesmen, although not always in that order. Schiller, Ibsen, Shakespeare, and the Greeks were the playwrights whose works he preferred. His favorite opera was *Tristan und Isolde;* his favorite painting: Botticelli's "Primavera"; his favorite tragedy: *Hamlet.*

He continued throughout the twenties to be the most frequently honored man in New York City. He was pleased at his election to the Authors Club on November 4, 1926, especially because his nomination was seconded by four distinguished contemporary figures: Robert Underwood Johnson, Sherwood Anderson, Elihu Root, and Ralph Pulitzer. Kahn's eligibility was established when his third book, *Of Many Things,* was published by Boni and Liveright.

Phi Beta Kappa, Alpha Chapter, at the College of William and Mary conferred membership on him in 1927. He wore the key proudly from the day it was presented to him.

He even became the subject of a popular song, when Fanny Brice (with Kahn's permission) asked "Is Something the Matter with Otto Kahn?" in her first talking picture for United Artists.

"Is something the matter with Otto Kahn
Or is something the matter with me?
I wrote a note and told him what a star I would make.
He sent it back and marked it 'Opened by mistake.'
I'd even get fatter for Otto Kahn,
As all prima donnas must be.
I studied with Scotti, if you know what I mean
He said I had the finest diaphragm he had seen!
And if my high C don't hand Otto a thrill,
I think my tra-la-la will."

It did. Otto Kahn had been a Brice admirer for a long time.

Less high-sounding honors (but honors all the same, Kahn said) were his in 1926, first when a South American otter at the New York Zoological Park was named Otto H. Kahn, and later when he was elected to a Bohemian New Year's Eve pajama breakfast club. "Breakfast in bed on New Year's morning for forty guests," read the invitation. "One to eight A.M." Kahn's answer was tinged with faint regret: "I do not belong, alas, to the 'everyone' who make party rounds on New Year's Eve night and morning."

The prison cat at San Quentin had six kittens, one of which was named for him. The others were Ty Cobb, Lindbergh, Peggy Joyce, H. L. Mencken, and Mary Pickford. Kahn acknowledged the honor with as fine a grace as if it had been another decoration from the Legion of Honor. One of the tributes he cherished most came from Clarence Mackay, whose party for Edward, Prince of Wales, Kahn had particularly enjoyed. Mackay wrote Kahn a warm personal letter, concluding: "You have travelled so much and have met so many distinguished people and have had so much experience that I value most highly your very friendly and courteous sentiments." Mackay revered Kahn; Kahn, who prized personal friendships above money and medals, was grateful for the little note. "He would rather have lost a million dollars than a friend," said Bernard Baruch.

At his great house at Cold Spring Harbor, Kahn staged his celebrated weekends of the 1920's. His guest lists of that period

reflect his tact and the small shaft of irony that sometimes shot through his letters also. Rich bankers and impoverished Bohemians, priests and divorcés, actors who were rivals and enemies—all found themselves at croquet or golf or lunch at Kahn's bidding.

Before sending out invitations for one of his weekends, Kahn would check with Alexander Woollcott on the status of those he planned to invite: "Are any of them married to or divorced from one another?" he asked Woollcott, in letters. "One can never know nowadays." Kahn sometimes permitted Woollcott to plan an entire weekend himself.

On one occasion, some sixty people were seated in Byzantine splendor in the grand dining room, attended by a large staff of servants. Franklin P. Adams, who was for many years one of Kahn's friends, turned to the footman behind his chair and asked, in a moment of silence, "Can I order from the menu, or do I have to take the blue-plate lunch?"

Arthur Krock, who reports this incident, recalls that Mrs. Kahn, reading the guest lists, would flee to New York, leaving Kahn alone with what she called "your zoo." The Algonquin wits abused Kahn and were often rude to him, Krock recalls. But Kahn could take kidding. He never returned their jibes. Krock recalls Kahn as a "small, eager and ubiquitous host." Margaret Case of *Vogue,* who remembers Kahn at the head of the table with his dachshunds at his feet, called him "always the center of attention, an equal mixture of urbanity, cleverness, and suavity."

Kahn could not tolerate bores, and he loathed stupidity. He assiduously avoided boring acquaintances, no matter how rich or renowned. His correspondence records more than one instance of his refusing a dinner invitation with a celebrated figure, in favor of having dinner in a simple restaurant with a playwright or actor or journalist.

When a friend brought several reels of boring home movies to be shown at Cold Spring Harbor one weekend, Kahn waited until the lights went out, then got down on his hands and knees, and, crawling from the room, escaped.

Walking along Fifth Avenue, with his dachshunds on leash,

when he met someone he liked he would stop and chat, but when he saw someone who bored him approaching, he would sometimes call out, before they came abreast of each other, "Don't speak to me! Don't speak to me!" and stalk past before the other had been able to recover from his shocked silence.

It was during the 1920's that he took part in the development of the motion picture industry. He was elected in 1928 to the Board of Directors of Paramount. He was also active in financing and reorganizing other film companies. The development of the color film process interested him; much of the early research in this field was financed by him.

But even more characteristic was his close personal association with producers, directors, writers, and actors, in the rapidly expanding industry. Among them were Walter Wanger, Douglas Fairbanks, Lasky, Griffith, Serge Eisenstein, and Luigi Pirandello, whom Kahn assisted. Hollywood was for him "that exasperating place." He resented the unfulfilled promise and the ruin of its magnificent potentialities. On both scores he was vociferous.

It was in Hollywood that he engaged in his oft-quoted exchange with Cecil B. DeMille, who escorted Kahn and his party to a showing of the film *King of Kings*.

"I had two thousand, five hundred extras in that one scene," DeMille boasted. "What do you say to that, Mr. Kahn?"

"Nothing," Kahn replied. "Have you ever seen Velasquez' *Surrender of Breda?* That canvas *looks* as if it has twenty-five hundred soldiers in it; but when you count the spears, you find that there are exactly eighteen of them. And that, Mr. DeMille, is art!"

Beverly Nichols, who recorded this anecdote, has preserved in his *Study in Blonde* a detailed account of the California trip. The English writer, who had come to the United States on a lecture tour, found himself invited on what he called "a tour de luxe" with Kahn.

"Kahn was my ideal millionaire," Nichols wrote. "He used his millions with taste, kindliness and understanding. . . . He was a patron of the arts in a sense that has been little understood since the days of the Renaissance. He was one of the few supporters of

the Metropolitan who was more interested in music than in tiaras. He had a poetic vision about Hollywood, which he pathetically persisted in treating as though it were worthy of his intelligence. And in England he will always be remembered by the men of St. Dunstan's which he gave to the British nation at the time of the first World War. He was, in short, a very considerable dear."

Nichols was invited to accompany Kahn and his party of six to California. Great was the impression made on Nichols by the fact that Kahn occupied virtually the entire train, which was made up almost wholly of his private cars. It was on this occasion that Kahn commanded the engineer to stop, so that they might all enjoy a view of the Rockies.

Among others in Kahn's party were James Bush, the banker; David Gray, who in later years became American minister to Eire; the Italian prince Francesco Ruspoli; and Rudolf Kommer, Max Reinhardt's associate.

Kahn had thought of everything, Nichols recalls: Bush's favorite cigars; a special white wine for Ruspoli; Kommer's chocolate almonds; piles of the newest books; menus for the entire tour; flowers in every compartment. "We Americans do not deserve to have flowers," Kahn confided to Nichols, discussing corsages and other contrived flower arrangements. "We *torture* them." The group traveled to the coast and back. In Hollywood, they were received by the most celebrated men and women of the film industry, for Kahn had lent motion pictures the support of his money and his influence.

The most famous of Kahn's trips was "the Flying Cloud Odyssey" of 1927, when he gathered together the sculptor Jo Davidson, Rudolf Kommer, David Gray, Arnold Bennett, the painter Paul Dougherty, and Frank Crowninshield of *Vanity Fair*. Their express purpose was "to follow in the steps of Ulysses."

Nothing was to be discussed except beauty. Art, music, literature, scenery—but only the beautiful. Bennett, carried away by the idea, took Kahn at his word. Day after day, he kept watch

on deck, while the others played bridge below. One day, Bennett flung himself down the stairs into the card room.

"Ithaca! Mr. Kahn! Ithaca!" Bennett cried.

Kahn looked up indifferently. "I double," he said.

The Odyssey began in Syracuse, where Kahn engaged an entire wing of a luxury hotel for his guests. Bennett joined the group in Taormina. It is there that he takes up his account of the trip, in his book *Mediterranean Scenes,* published in 1928.

Bennett characterizes Kahn as "the host . . . the most thoughtfully dressed young man on two continents," and Jo Davidson as "bearded, black, more French than the French, with a command of Gallic slang surpassing even my own . . . reported to be a sculptor, but really a watercolor painter." Each of the guests, Bennett said, had warned him about Kahn's punctuality and excess of energy. "The reception clerk had told me that Otto would arrive at 6:30 P.M. Otto arrived at 6:30 P.M.

"We partook of tea, then leaving a thick wake of risen dust behind us, we swept through many thoroughfares into the Greek theatre and enjoyed exactly one hundred minutes of Aristophanes. Thence swiftly to the quarry called 'Paradise.' Thence swiftly to other neighboring sites. Thence to the Duomo-Temple-Mosque. Thence swiftly to shops. Thence swiftly to the hotel, where swiftly we ate. (How Otto had contrived in the intervals between their activities to interview *prime donne,* I cannot say, but he had.) Thence swiftly to the Syracuse Opera, for a performance of *Tosca.* At something like midnight we all left Otto still indefatigably savoring Puccini. . . . It was as I fell dead into bed that I at last understood the full significance of what David, Jo and Frank had related to me about Otto's energy.

"The brief but pregnant jottings in my journal comprise such entries as: 'Bridge at 10 P.M. Otto proceeded with his mail'; 'Nobody went ashore except Otto'; 'Went to bed exhausted; Otto was still working.' One night Otto said to me: 'I have never in my life felt the sensation of being tired.' "

At this pace, the party went on to the Greek Islands, Sparta, Athens, the Dardanelles, Constantinople, Crete, Delphi, Olympia, Corfu, and Dalmatia, and finally to Venice. Kahn termed Greece

"the loveliest place scenically I have ever struck, and Greek art on the spot knocks everything else I have ever seen into a cocked hat." This Kahn wrote to Ziegler of the Metropolitan. To Bennett, he wrote: "What fools we mortals be—or rather what a blithering fool this particular undersigned mortal is—not to partake more frequently of the lovely things which the world holds for our enjoyment."

Two years later, in the early summer of 1929, Kahn undertook another cruise, chartering a yacht for a tour of Scandinavian waters. Again one is indebted to a professional writer for a memoir of the trip: Daphne Du Maurier met Kahn and the other guests in Hamburg. She writes:

"We sailed through the Kiel Canal to Gothenburg, and thence to Denmark, Sweden and Norway and the fjords. . . . Otto Kahn was the most wonderful host and a great conversationalist, but he was also an indefatigable sightseer. When on shore, we tramped around museums, castles and churches at his bidding; and his guests were weary long before he ever was. Indeed, I do not ever remember seeing him tired. During the fortnight, he was our king and we his subjects, and like a king, he favored us in turn. . . . My most vivid memories of the voyage are of sitting with him on the wall of a Stockholm street eating cherries at about four in the morning—the white light prevented us all from sleeping—and then of a curious excursion in the Norwegian countryside, where our host rode in some horse-drawn vehicle resembling a chariot, and I ran along beside it, pretending to be a captured slave. This fantasy delighted Otto Kahn, . . . a truly remarkable man."

"You are the only man I know who can materialize dreams," Constance Collier wrote to Kahn. "But then, you know the stuff that dreams are made of."

17

"Crown Prince of the World"

In spite of his widespread interests and activities in New York and America during the twenties, Kahn's concern for crippled Europe, war-shocked and shaken, deepened while the United States, insulated in an isolationist cocoon, stood pat and exhorted everyone to "look for the silver lining," as a popular refrain of 1920 counseled.

Kahn's annual European trips had never been mere pleasure jaunts, for he often said that a two-week vacation from business was all that he could afford to take. In the twenties, impelled by the desire to aid in the economic reconstruction of Europe, he concentrated more energy than ever on financial problems and enterprises abroad.

His assistance was welcomed by every Western European government, his counsel as readily accepted as the direct financial relief he was able to provide. Thus at a time when many of Otto Kahn's views were too advanced to obtain complete acceptance among conservative controlling elements in the United States, the banker was hailed in Europe as a prophet and potential benefactor of Western man.

His first postwar concerns were England and France, the countries to which he was emotionally and intellectually most attached. Although Great Britain emerged during the reconstruction with the most stable ecenomy in Europe, Kahn saw in the American debt payments and tariff barriers a menace to her future security. In his conferences with English leaders, he concentrated on these

two points, advancing a plan for funding the debt fairly and in a businesslike manner, and urging in America a sensible arrangement which would not impair English purchasing and consuming power. He warned against the damage to world economy which would result from a reduction in England's export trade. As a practical measure, he worked to direct American investment toward England.

"It is America's interest and duty to see that some of the funds she has accumulated are used in a broad and wise manner for the commercial and economic furtherance of other nations," he said, as he praised the soundness and permanence of English financial institutions.

His earlier efforts to effect a close, harmonious cooperation between the two countries and to minimize the effects of anti-British propaganda in the United States bore fruit in the modified debt-funding plan offered by the United States to England and the British Cabinet's decision to accept the American terms.

The English believed that Kahn had been more instrumental than any other United States citizen in barring the Central Powers from access to American funds even before America entered the war in 1917. From his personal fortune, he had given five million dollars to the Allied cause. To the British he was already a hero. But after 1923 his reputation was enhanced even further, as the gulf between his views and the prevailing isolationist tendencies in America became evident.

Even in October, 1923, when European postwar political and financial crises seethed, Kahn had expressed hope in the future. "Once improvement begins, progress will be rapid," he predicted. Two years later, when the upturn had become evident, he saw in Great Britain's sound financial policy a decisive factor in the recovery.

The French Ministry of Finance sought his aid, as did the Foreign Office. Kahn talked with Briand, Poincaré, Joffre; Caillaux and De Monzie, the then and former Ministers of Finance; and his old friend Clemenceau, who had been his house guest in the United States. When Briand honored Kahn with the Commander's Ribbon of the Legion of Honor, the second decoration

he had been awarded by the French Government, additional recognition was given of the debt France owed him. Even the strengthening of the franc was credited in part to him, as writers praised his "clairvoyance, his frankness and his sympathy."

Seeing the French problem as essentially psychological, Kahn attacked it with a burst of optimism. In a series of addresses in Paris in 1925, he cited the satisfactory commercial balance of the country, the increasing stability of the currency, the budgetary equilibrium almost achieved. He urged the French leaders to keep the public constantly informed, so that the traditional *"philosophie réaliste"* of the French might govern the national course of action. The French had the good sense and courage required for concerted effort.

He proposed an extensive, detailed plan for the settlement of the French debt to America. One-third, or $4,200,000,000 of the debt, having been incurred either after the war or during the war for purposes not directly connected with its prosecution, he suggested, should be repaid at 4½ percent annually, 3½ percent interest and ¾ of 1 percent on the principal. This segment of the debt could, on these terms, be repaid in sixty-two years.

The remaining two-thirds of the French debt, having been incurred in connection with the war in which we were comrades-in-arms with the French, should carry no interest at all. The principal should be repaid in equal annual installments over sixty-two years.

The French Minister of Finance Caillaux had proposed a plan to the American Debt Commission, calling for repayment over the same length of time, but his offer had been promptly rejected. Kahn, in suggesting a similar solution, laid himself open to official criticism for the second time in six months; for Coolidge in May, 1925, had addressed a sharp rebuke to American "muddlers" (unnamed, but Kahn kept the clipping in his scrapbook) "who suggest ways by which the debtor nations may settle their war obligations." Kahn, however, was more interested in exorcising the international specter of "Uncle Shylock" and in restoring world stability than in preserving his personal reputation at home.

In the controversy of the previous May, Representative Hamil-

ton Fish had asked the President to proceed under the Logan Act against Kahn, former United States Ambassador to Germany James W. Gerard, and former Attorney General George Wickersham. The issues of free speech and individual rights boiled up as newspapers attacked Fish and Coolidge over the incident.

"Americans who have followed the trend of events in this country for the last decade or so will not be surprised to learn that Mr. Fish thinks that the offense with which Mr. Kahn has been charged is serious enough to cause his incarceration in a Federal prison," one paper remarked. "This country is rapidly going from bad to worse in the matter of personal freedom. The American people are prohibited by law from taking a drink. The Tennessee legislature adopted a bill prohibiting the teaching of Evolution in the schools of that state; and a professor who disregarded this absurd law has been indicted by a Tennessee grand jury. Yesterday, a student of Harvard University was arrested and put in jail for sitting on the grass in Boston Common. . . . What Mr. Kahn said was a correct expression of American public opinion . . . 'If this be treason make the most of it.'"

Kahn expressed an individual opinion, the Newark *Ledger* said in an editorial. He has a low opinion of American politicians, who retaliate against him by urging that he be prosecuted for criticizing them. "If this spirit of suppression continues to gain ground, no one but government agents, stupid and informed alike, will be permitted to talk about international relations." To proceed against Kahn would be to undermine further an already tottering Bill of Rights, the article concluded.

Even in the South and West opinion was on his side. "It seems that the government has become very sensitive to the expression of opinions by Americans travelling abroad, especially to their comments to officials of other countries on the subject of international debts," one journal commented. "The President recently let it be known that citizens of this country in foreign lands were expected to hold their tongues on this subject . . . Mr. Fish wants these citizens fined and imprisoned.

"It will come to a pretty pass if American citizens are to be muzzled. Perhaps they will not be permitted to leave the country

until they have been put under bond to keep their mouths shut. . . . Mr. Coolidge is a silent man himself and he seems to desire that everyone else shall be. . . . The possibilities are unlimited. . . . It may even come down to the point of every citizen being compelled to wear a muzzle whenever he leaves his home."

Kahn's attackers came off so badly that when he broached the international debt question again in October not a voice was raised against him. Those who favored a reasonable settlement praised it as a typical expression of his sane and humane attitude.

His fresh interest in French colonial enterprise endeared him to the French almost as much as his stand on debt funding. In the twenties he toured Africa for the first time: three months in Algeria and Tunis in 1920; in 1925 in Morocco, where he stayed five weeks, visiting Rabat, Fez, Casablanca, South Morocco, and the desert regions, Marrâkech, the Kasbah of Oudah and "slumbering Chellah." He was overjoyed with what he saw, for he felt in Africa that surging energy which inflamed the American West during the Union Pacific reorganization days. Young enterprise was his joy. It invigorated him, left him refreshed and excited. He exclaimed: "The New World is no longer America! It is here, in Africa!"

The natural resources, the fertility of Tunis and the Algerian Tell, the Oriental beauty of the old cities and the spreading modern developments astonished him. He examined scores of unexcavated Roman and African sites. "This is living history!" he said, adding practically that *"Quant à l'agriculture et l'industrie, leur avenir y est inestimable."*

Kahn thought Bizerte the most beautiful natural port he had ever seen. "Now that it is open to commercial traffic, it is in the process of becoming one of the foremost Mediterranean ports," he said.

Morocco had taken "giant steps," even while combating Arab uprisings. Unlike many travelers who sealed themselves tightly in the European quarters, Kahn insisted on making a complete tour of the country, as he had in France in 1918. The rebel chieftain Abd-el-Krim harassed French troops and loyal native tribes along the northern front while the Kahn party traveled

just behind the lines. A weary French officer called Kahn's trip *"une tournée complète du Maroc."*

He spent many days with Marshal Lyautey in his official residences at Rabat and Casablanca, where the two men talked of French colonization and the opportunities for African expansion —the work, the problems, the progress and the hopes. Lyautey, for whom Kahn could summon only "enthusiastic superlatives," personally showed him the cities of Rabat and Casablanca, the shipping, the industry, the new construction, the rail and air lines. They sat past midnight and long into the morning talking, while Kahn's traveling companion, the American sculptor Jo Davidson, sat silently in the corner of Lyautey's study, finishing a bust of the Marshal—*"l'animal d'action"* as Davidson called him.

Examining the bust, Lyautey exclaimed: "But I am not at all like that! I don't want to repel men and women!"

"There are hundreds of thousands of handsome men in the world, but a *'gueule'* like Lyautey—there is only one, and that is the one I want to get. *Ce visage meurtri, ce profil de lion,"* Davidson replied.

Lyautey made it possible for Kahn to visit the Sultan of Morocco and an Arab ruler, Sidi el Hadj Thami el Glaoui, the pasha of Marrakech. It was Otto Kahn's first encounter with a living Oriental potentate, fascinating to him because his Wall Street associates often accused him of living a sultan's life.

"What a *grand seigneur,* Glaoui!" Kahn said. "A brave warrior, a man of letters, musician, artist, a whole man, conscious of the responsibilities attaching to his role."

Marrakech was "like a woman whose unique beauty is paired with grace, affability and charm." The two civilizations, side by side, the old next to the new. The oasis in the desert, with snow-capped mountain peaks in the distance. "A mass of diverse impressions, utterly unlike any I have ever felt before." Kahn was enchanted by the youthful vitality of Morocco, "like a young plant clinging to ancient ruins and covering them with flowers."

He was struck by the luxury and beauty but appalled at conditions among the poor. To Lyautey and local officials, he made many suggestions for expanding commerce and exploiting tour-

ism. When he left Morocco, he carried with him a token supply of carpets, leather goods, and cloth; and he left behind a large check to be used for Moroccan poor relief.

The economic and moral devastation of Austria and Hungary disturbed Otto Kahn more than any aspect of the reconstruction problem. His trips to those countries in 1922 and 1923 convinced him that immediate, direct action would be required if any recovery were to be possible.

Returning from Vienna in 1922, Kahn spoke feelingly of "the utter misery of that gifted and amiable people who have been one of the civilizing forces among nations, to whom the world owes so much in the field of science, music and literature." Hunger, mirrored in the pitiful faces of the poor, was everywhere. Actual starvation menaced large segments of the middle class. Cruel suffering, want and hopelessness in measure which Kahn had never before seen afflicted all of Austria. He was enraged. "It is appalling," he said. The country and its people were harassed, humiliated and maltreated by the very countries on which they depended for their trade. Too poor to emigrate overseas, excluded from entering nearby Danube states, the Austrians were trapped in an inescapable hell of deprivation, need, and poverty.

On the occasion of his first visit to Vienna, Kahn took it upon himself to assist in the reconstruction, offering acceptable solutions to several particularly pressing financial problems. He worked to make possible an international loan to Austria, achieved through the instrumentality of the League of Nations, to enable the country to stabilize its currency and restore economic order.

He credited Chancellor Eipel with this coup; but the Austrians themselves knew that Kahn was their benefactor. His assistance to the soprano Maria Jeritza and the theatrical genius Max Reinhardt had already endeared him to the Austrians. When he returned to Vienna in September, 1923, he was greeted with hysterical adulation as the savior of Austria and honored with a reception such as would ordinarily have been reserved for royal guests.

Crowds counted in hundreds gathered outside his hotel. He became the darling of the Viennese younger generation, the darling of caricaturists and rhymers. All Vienna danced in its gratitude *"der Tanz um den goldenen Kahn,"* as a jingle of the day had it. Vienna pressed every citizen into service to prepare "Souper für Mister Kahn," said the lyrics of a popular song. The government ordered a special performance of *The Merry Widow* at the Theater an der Wien in honor of *"Otto H. Kahn, Präsident der Metropolitan Opera, New York."* Lehár conducted. Kahn-fever in Vienna, the newspaper headlines proclaimed. "Our hearty welcome tells him of our thanks for the help and friendship he has given our country and city."

Kahn's own gratification sprang from sheer joy at seeing the metamorphosis which had taken place in the year which had elapsed since his former visit. Evidence of improved conditions confronted him in every corner of the city. Inflation had been stemmed. Recovery was fact. The faces of the people shone with new hope. Much still remained to be done; but Austria in one year had accomplished miracles. He conferred with the Chancellor, with Count Czernin, and with Prince Liechtenstein before going on to Budapest, where he found conditions only slightly less dismaying than those which had prevailed in Austria the year before.

Kahn felt that none of the crimes sanctioned by the treaties of 1919 violated the peace more shockingly than those embodied in the Trianon Pact, which tore away almost two-thirds of Hungary's territory, placed millions of Hungarians under foreign domination without plebescite, despoiled and disrupted trade and commerce, and saddled the stricken country with a staggering burden of reparations.

He felt that the human condition should be a consideration in every international agreement. Hungary, ravaged by the Károlyi Revolution and the Béla Kun regime, invaded and plundered by Rumania, deserved especial consideration. In a moving address he described the road of "fearful trial and anguish" which the Hungarian people had trod.

"That they found the strength within themselves, laboring

under a physical, mental and nervous strain well-nigh beyond human endurance, not only without foreign aid and encouragement, but browbeaten, harassed and hampered by neighboring states, to reestablish order out of chaos, re-create settled conditions of existence and of government, resume work, retain faith and courage and grapple resolutely with almost insurmountable difficulties—that is an achievement betokening great national qualities."

He was especially impressed by the diligence, frugality, and industriousness he found there. Energy and determination would carry Hungary through the crisis. But the reparations problem and the task of stabilizing the currency could be managed only with American aid, he felt. In Budapest he devoted several days to conferences with Admiral Horthy; the Prime Minister, Count Belklen; the banker Simon Kransz and other government leaders. Economic recovery was the sole topic of their discussions, for only through recovery could the beginnings of stability be realized.

Hungarian stability, a crucial matter in maintaining the peace in Europe, concerned the entire world. The country's geographical location, at the crossroads of east and west, made its political status an international factor of prime importance. Prophetically he warned the West to alert itself to the Russian menace.

In America, Otto Kahn's views on Central Europe were of only limited interest; but in France he was held in such high esteem that the President of the Foreign Relations Committee of the Senate asked Kahn to address that body on the subject of Austria and Hungary, when he returned to Paris from Budapest.

Of all the nations Kahn visited during the reconstruction era, none excited him to more profound admiration than Italy. There was scarcely a city north of Rome which he did not know well. Bologna, Ravenna, Milan, Perugia, Assisi, Venice, Florence, and the smaller communities such as Padua, Siena, Arezzo; the spas Montecatini and San Pellegrino and Chianciano. Italy was beauty, Kahn's private deity. Italy was opera, his emotional succor and relief. Italy was Catholicism, the *duomo* and incense, procession and *festa,* mysticism and hagiolatry, brilliant vestment and

campanile; the tolling bells in clear morning skies. It was the high Middle Ages, which nourished him; and the Renaissance, in which he submerged himself as he strove toward self-realization.

Loving the country as he did, he suffered as Italy sank from disorder into chaos in the years preceding 1922. The country had lost almost one-sixth of her mobilized fighting force in the war, which had cost her more than $15,000,000,000. Before 1914, Italy had been a poor country. Impoverished further by the cost of war, she expected a larger share of the spoils than she got. But Wilson assigned Fiume to Yugoslavia; and not one of the German colonies in Africa fell to Italy, which viewed the "humiliation of Versailles" as a betrayal. The currency was inflated; prices soared; speculators and profiteers flourished. A glutted labor market, frequent strikes, and closed foreign markets contributed to the demoralization of business. Radicalism and a translated Bolshevism swept the country. Red Leagues assaulted landholders in the provinces, while socialist workers seized factories in urban areas. The breakdown of parliamentary government in 1921 and 1922 completed the debacle. The Fascists marched on Rome on October 28. The next day Victor Emmanuel III invited Mussolini to form a cabinet.

When Kahn arrived in Italy eleven months later, he could scarcely believe what he saw. Before Mussolini, Kahn said, Italy had wallowed in chaos. Organized bands of radicals had ruled by terror and violence, wielding a "mean, venal, destructive and anti-patriotic tyranny throughout the land. Government was impotent, held in contempt, openly defied. The public services functioned only intermittently, being scornful of discipline and frequently interrupted by strikes. Labor disturbances on a vast scale, accompanied by constant violence, beset industry. Religion was derided as a harmful and antiquated superstition. The country's flag and uniform were insulted with impunity in the streets of Italian cities. Patriotism, duty to, and faith in, the country, were jeered at as outworn conventions. Class was arrayed against class in bitter animosity. Italy's prestige abroad was at a low ebb."

But in 1923 a change "little short of miraculous" had come over

the country, a bloodless revolution. Unemployment had been virtually eliminated. Wages had risen. Trade, commerce, and finance were flourishing. Inflation seemed under control. Intellectual and artistic enterprises received government benison. All this the achievement of one self-made man.

Kahn, like others fell under the spell of Mussolini's personal charm. The Fascist leader's energy alone would have won him: "I have never seen a government work with the intensity of application which characterizes the present Ministry of Italy, from Mussolini down," he said. When he arrived in Rome, he found the government working seven days a week, sixteen hours a day, his own schedule; and Mussolini was the first man Kahn had met in many years who threw himself into his job with absolute devotion. Il Duce's dislike for meaningless phrases and timeworn conventions was a quality he liked. His simple life, his friendly, democratic manner, his apparently inexhaustible capacity for work, his love of art and music, his desire to beautify his country—all awakened a favorable response in Kahn who described him as "a fascinating, wholly sincere and immensely forceful personality."

Otto Kahn was not alone in his admiration of Mussolini. Thomas Lamont of Morgan's cited the figures of the economic and financial resurrection of Italy at a Foreign Policy Association dinner in 1926, concluding: "I leave it to the American people to judge from the facts. Italy, led by Mussolini, has succeeded in accomplishing feats which no other nation of Europe has been able to do."

In a letter of 1923 (now in the Metropolitan Opera archives), Gatti-Casazza wrote to Kahn: "Italy has had the great fortune to find in Mussolini the new, very strong, highly capable and subjugating man who was necessary to lead her again on the great way of her high Destiny. . . . This new government has done more in its eight months of life than ten previous governments have done in twenty years!"

Kahn, two years later: "I had a long talk with Mussolini and was again profoundly impressed by the greatness and irresistible personality of that wonderful man."

Italian fascism of 1923 appealed to him on another level: it was the party of youth; and he was always susceptible to the young. *Giovinezza,* to mold a bright future for Italy, was a platform to which Otto Kahn would, by his very nature, succumb. He came to know both Mussolini and the King well. Through international loans he was able to assist in the regeneration of Italy and see the fruits of the investment in those accomplishments which even Mussolini's severest critics could not deny. It was not until 1927, after attempts on Mussolini's life led the dictator to impose full police rule, that Kahn began to have serious doubts about Italy's future. He asked himself the question then in many minds: was Mussolini still master of his party, or were party fanatics his masters?

He withdrew his support from the regime and watched, sorrowful and silent, as the cult of force and Kahn's old anathema of Hegelian philosophy—preached by Gentile and Prezzolini—worked together to drag Italy and its leader down to ruin.

From 1918 until 1924, at the request of the various heads of state, Kahn assisted in one way or another in the reconstruction of Spain, England, France, Italy, Morocco, Austria, and Hungary. After some semblance of stability was achieved, he formulated a plan for an economic union of European nations, to assume at first the shape of a loosely knit circle of associates, later perhaps to be welded into a federation.

The objects of such an association would be the leveling of tariff walls, the establishment of free-flowing trade, the maintenance of open cooperation among all European markets, a mutually beneficial use of natural resources, and eventual establishment of an active interrelationship between the European economic union and the Western Hemisphere. In 1927, Kahn had proceeded to a "United States of Europe" concept, based on open-handed cooperation among nations. The elimination of trade barriers and the full development of continental resources would be the end results of such a federation. Kahn believed them capable of achievement, even though "infinite complications" lay between the "dream" and its fulfillment.

His proposal for a European economic association was not acted upon within his lifetime. But it provides yet another example of the breadth of his economic view. Thirty-five years after Kahn outlined his thesis, the six-nation group called the European Economic Community was organized. Now known as the Common Market, it is Kahn's pan-European economic plan for the recovery and consolidation of the Continent.

18

Crash and Depression

ALTHOUGH the period 1923–1929 was called contemporaneously the "New Era of Prosperity" and, in subsequent postcrash studies, "The Boom Years" and "The Golden Decade," not all economists were convinced that America had known true prosperity at all. Agriculture, which had expanded excessively to meet wartime demands for produce, was caught in a glutted market in which values for farm products fell below production costs. Blighted fields and the shadow of foreclosure hung heavy over the Midwest, the mountain areas, and the South. Coal mining virtually collapsed. A textile depression struck New England. Shipbuilding declined. Only in the largest cities, which flourished on increasing industrial efficiency, and in the Middle Atlantic, East North Central, and Pacific states was the loudly proclaimed "prosperity" evident.

In 1925, as what some in the East called the "boom," obtained, even the apparent prosperity of the littorals was to some extent built on sand, stimulated artificially, as it was, by the high price levels reached during the war. Money was unevenly distributed: the profits of the rich increased by a much higher ratio than the incomes of the poor. Much of the foreign loan structure was shaky at best, having been negotiated haphazardly by American firms too avid for underwriting fees to examine carefully the nature of the enterprises they financed. Business consolidation, especially in utilities, proceeded so rapidly that effective control became virtually impossible. Holding companies piled on holding companies as new securities were floated and paper profits soared.

In previous eras, corporations had issued new stocks and bonds only when they needed additional capital. But during the 1920's new securities were manufactured "almost like cakes of soap," simply because financial gains could be realized from their sale. Big investors continued to invest heavily. Professional speculators flourished.

And over one million new customers rushed to pour their savings into the frenzied market, as the insatiable public demand for new issues continued. Between January 1, 1925, and October, 1929, the number of shares listed on the New York Stock Exchange leaped from 443,000,000 to over one billion. By the end of the decade, some stocks were selling at twenty times their book value. Thousands of American men gave up legitimate business in order to concentrate on speculation. In 1929, over four million shares were traded on each of 122 days; on each of thirty-seven days, trading exceeded five million shares.

The collapse came in the last week of October, 1929. The economic decline continued until July, 1933, when the stock market struck bottom: five-sixths of the September, 1929, value had simply vanished.

These four years were the grimmest and the last of Otto Kahn's life. Afflicted by failing health, confronted daily with national poverty, hunger, and misery, Kahn maintained for the benefit of the public his familiar calm, smiling facade. But behind it, he sank more and more deeply into private despair—not because he had suffered financial reverses, although he had—some fifty millions of loss, it was said. Margaret Coit says in her biography of Mr. Baruch that at this time the very rich became merely rich, the rich became "comfortably off." Kahn remained "merely rich." Panic and depression were not new to him. His acute suffering at the end of his life grew from his awareness of the misery around him, from his growing rage at the Administration's helplessness, and from his own inability to act, to help, to alleviate the misery and set people back on the road to light.

In all the enormous volume of literature concerning the depression, there is no exercise more futile and yet more rigorously

practiced than that of determining who among the nation's leaders had the foresight to perceive that the crash was imminent. Most economists and most experienced leaders of business, government, and finance did not believe until early in 1929 that the boom would ever end. Only a few Cassandras such as Roger Babson predicted total disaster. Kahn's view lay somewhere between the two.

He was a conservative partner in a conservative firm. During the earliest periods of excessive speculation the Kuhn, Loeb partners remained skeptical and relatively passive while other firms actively exploited the prevailing madness and herded the sheep in for shearing. Paul Warburg, a former partner and Federal Reserve Board member, was, in 1929, with the International Acceptance Bank. He, who had been Kahn's lifelong friend, who had shared Kahn's first bachelor quarters in London in the 1890's, reinforced Kahn's and Mortimer Schiff's and Felix Warburg's apprehensions. Warburg inveighed against the orgy of unrestrained speculation and warned that a complete collapse, followed by a general depression involving the entire country, was certain to be the fruit of the frenzy. Thus Kuhn, Loeb refrained from participating recklessly in the boom.

The firm was not overextended. Kahn, in fact, had issued a warning to private investors as early as 1926 against overbuying. But inexplicably he said again and again, in public statements and confidential correspondence of 1926, 1927, and 1928, that he foresaw "no serious setback" in the "early future."

"There is nothing in sight which would affect the fundamental currents of business to cause any change," he stated in 1928, attributing the slump to "a sort of stocktaking after a period of tremendous activity." It was a temporary slowing up, he said, a wholly natural reaction. "The curve is upward and will continue so for many years." Babson was wrong, in predicting a severe setback in 1928, "as wrong as any other man who deals solely in statistics." "There is nothing in the underlying conditions in the business world at this time to indicate anything but a continuance of prosperity." Yet at this time, spring, 1928, he began to inject a note of warning into his statements.

"But the great law of action and reaction has not been abolished. I do not mean to give an . . . alarm, but temperance is always desirable. There is wisdom in keeping both feet on the ground."

To a young theatrical manager who planned to launch a new little theatre group, Kahn sounded the same cautious chord. "Don't begin anything now. All this is sure to blow up soon."

In retrospect it is possible to say of him only that he was more cautious than some, more optimistic than others, no more prescient than any other man of his position and his time. His own judgment during the speculative boom was colored by one factor which blinded him to the inherent instability of the American financial structure of the twenties: that was his optimism, which often led him to miscalculate the end results in theatrical enterprises, but only rarely misled him on financial problems. Kahn incorrectly interpreted the boom as a swelling expression of American national financial democracy, the complete fulfillment of the economic dream he had cherished for twenty-five years, to see every small businessman and laborer become an investor and an active participant in the benefits of American financial opportunity.

"Democracy has found its way into finance," Kahn exulted. "We have begun to be a nation of investors. . . . This is a great movement." Thus he failed to perceive the extent to which the "great prosperity" was inflated. In his enthusiasm for "financial democracy" he neglected to read correctly the signs inherent in the unemployment figures, with which he was familiar, and the disastrous farm depression, which he considered a major calamity and the primary domestic concern in United States policy.

From 1922 Otto Kahn had demonstrated an uncommon understanding of the farm problem. Farming involved hardship and deprivation, the most strenuous, backbreaking physical labor, Kahn said. Yet it was the least adequately and fairly compensated of all the nation's activities. Agriculture was basic and vital to the nation's economy, the largest single business in the coun-

try, providing a continuous and essential supply of raw materials. There could be no lasting prosperity in either trade or industry, Kahn said in 1922, until the farmer achieved at least reasonable prosperity. The farmer ought to be considered first; yet often he was not considered at all.

He argued for more adequate financial facilities for the farmer, a better and more economical system of distribution, cooperative buying and marketing, satisfactory arrangements for storing and grading, and a national policy to bolster the produce market. Like Baruch, he was known as the farmer's friend. Some of the warmest editorial testimonials to him were written by the editors of small Midwestern papers who, although they disagreed with him on virtually every other tenet of his economic theory, respected him for his understanding of their problems.

When the first tremors shook the market in October, Otto Kahn was away from New York. On August 21 he had been one of Henry Ford's guests at the opening of Greenfield Village in Dearborn, where he rode a woodburning locomotive and a one-horse shay and sampled hard candy at the general store together with Edison, Charles Schwab, President Hoover, John D. Rockefeller, Jr., Owen Young, and Harvey Firestone. Returning to the East, he arrived in time to be photographed (but not to comment) as the first thunder rocked Wall Street.

"Never such hysteria," screamed the reports on October 25, describing the debacle. Tragedy marked the faces of employer and employee alike as savings were wiped out. Luncheonette counters were crowded with crying secretaries and clerks mourning their losses. Investors and traders shoved and pushed at each other on the Stock Exchange floor; collars, buttons, and ties were torn off. Blood ran from scratched faces; and shirts and coats began to show huge rents. Almost thirteen million shares were traded on one day, so swiftly that the ticker at the Stock Exchange was at one time two hours and forty minutes behind the actual quotations on the floor. Little knots of men, some almost hysterical, some grim, crowded the district. Reporters and photographers pushed through the throng, seeking someone, anyone with a word of reassurance for the panic-ridden public.

As Kahn stepped from his car, immaculate in his English-tailored clothes, boutonniere fresh and dewy, spats in place, and a carefully folded handkerchief peeping from his breast pocket, no one would have guessed that October 24 was different from any other day in his thirty-six-year career on The Street. He maintained his serene appearance, smiling his "faint, calm smile," through that first hectic week and the dismal months that followed. Unlike other bankers, who rushed downtown at eight and eight-thirty every morning, Kahn kept to his regular schedule, arriving punctually at nine forty-five, the most composed man on The Street.

In the big partners' room at Kuhn, Loeb, there was no hint of panic, for the firm had remained secure. The crash was reflected only in the back offices, where clerks worked busily day and night to keep accounts abreast of the frantic activity on the Exchange. Out in front the unruffled partners maintained perfect calm. When despondent colleagues asked Kahn how in God's name he managed to maintain his composure, he repeated his favorite *mot,* which he attributed to Wilde, "It is almost impossible to exaggerate the unimportance of these things."

There is a mass of evidence to prove that Kahn suffered acutely in the depression. His agonies were more spiritual than financial; but they were profound. Characteristically, he concealed them from his wife and children and partners, confiding rather to friends.

He surrendered to something like pessimism for the first time in his life as the depression ground on. It had to run its allotted course, he said, refusing to venture an estimate of the depression's length. This was at a time when virtually every Wall Street figure was engaged in predicting the probable duration of the crisis, cheerily limiting it to two weeks, then thirty days, sixty days, six months, and a year, as the weeks followed each other in gloomy succession.

The realistic attitude which angered some of his Wall Street colleagues endeared Kahn to financial editors who scored the financial district Pollyannas whenever the opportunity offered itself. They admired Kahn even more than they had before the

crash, for not peddling "fictitious, glad-girl propaganda"; false prosperity propaganda; bombastic political boasts that business was fundamentally sound; screaming headlines proclaiming that the unemployment problem did not exist, "to be flaunted in the face of every poor devil who is out of a job."

Kahn maintained his considered silence, confining himself to brief, realistic statements and abjuring prognosis. It was to his credit that he talked neither too much nor at the wrong time, to his credit that he and Kuhn, Loeb had acted conservatively during the boom. His views, it was said, had been soundly related to the actualities now apparent to all. His opinions would therefore be worth more than those of others who predicted immediate recovery and had been proved wrong.

Just as Keynes had turned to Kahn for his opinions in 1930, asking him to analyze the problems of reconstruction in Europe, so the financial editors of *The New York Times* and the *Times* of London turned to him in 1930 when the "six-month crisis," predicted by optimistic Wall Streeters, had passed and the depression had merely grown more severe.

His article, which was only his second public statement concerning business since the crash, summarized first the underlying factors behind the cataclysm. He cited the prolonged speculative mania, which placed an unbearable strain on credit everywhere; the overstimulation of production; the creation of new securities; the combinations of huge aggregations of capital, at a time when there were not enough men of ability and character to direct them; the technological unemployment precipitated by the widespread use of improved equipment; the fact that the government had refused to rely on economists and financial experts to direct policy during the postwar reconstruction era; the upward revisions of the tariff; and the evil effects on international trade wrought by the treaties.

No cure-all panaceas were offered. The only aid Kahn could see for the immediate problems was cultivation of a sense of proportion and steadiness of nerve. Everyone must stop spreading the contagion of fear, he urged, in an exhortation which Franklin D. Roosevelt was to echo in his address two years later. Fear

undermines whatever confidence we have left; it maims enterprise. Fear is the enemy we must combat first.

The two most important financial centers in the world, London and New York, welcomed the essay. When he followed it with a longer dissertation entitled "Some Aspects of the Depression," the *Times* of London called it an extremely important document, praising Kahn as "one for whose judgment in many things men both in the Old World and the New have come to have extreme respect."

Kahn called for a number of public and private organizations to take care of those in distress. Further, he asked immediate government action to fortify national confidence in the administration. This, he said, was the first step out of the pit. Harking back to an old theme, he began to call again for Congressional action on an old-age pension plan and a health insurance plan. It was terrible enough to be young and well in such depressed times; but to be old and ill was infinitely worse, he said. The elderly and sick deserved first consideration along with the unemployed.

He urged modification of the Clayton Act, which he felt needed to be brought into line with the realities of the thirties. Business needed continued supervision and restriction, but the American industrial massifs should be encouraged to rebuild as quickly as possible, with federal aid, if necessary.

The next provision of Kahn's program was the immediate revision and eventual repeal of the Volstead Act. As a "wet Republican" Kahn had always chafed under prohibition, although he drank only fine wines, in preference to mixed drinks and whiskey. He had continued to stock his cellar throughout the twenties. An amusing reminder of the era among Kahn's papers is a grimy, torn scrap of rag tablet paper, which served as a bootlegger's letterhead for invoice purposes:

6 cases Amontillado
3 " Invalidport
1 " Edgar Remy Cognac
1 " Bernkastler Rosenberg

1 " Liebfraumilch
1 " Chateau Latour Claret
1 " Chateau Hermitage Sauternes
2 " Scotch

delivered to the Kahn house and receipted to the amount of $1,604.25.

Kahn had supported Al Smith on the prohibition question. Now he urged immediate action on Hoover. "The formidable moral and economic evils of the existing state of affairs seem to me proven beyond question." Repeal would increase government revenue through increased taxation, while at the same time the government would be spared the expenditure for enforcing legislation which was patently unenforceable. Agriculture would be stimulated: there obviously was a demand for grain liquor and "that hideous brood of bootleggers and gangsters" would be thrown out of business. Kahn added that the cause of true temperance would be furthered to some extent, for prohibition had obviously driven people to drink who had never thought it exciting to drink before.

He preached greater efficiency in governmental operation, asking rigorous economy and strict watchfulness. Otherwise the "overloaded cart of bureaucracy" would eventually topple. Modification of the existing tax structure naturally figured in Kahn's plan; although, as in the past, he knew before he spoke that a rich man clamoring for reduced taxes was necessarily an object of ridicule and scorn. But fear of censure would not silence him. Business would remain paralyzed, he thought, so long as it was strangled by excessive taxes.

Kahn had been a railroad man at heart since the Harriman days in the nineties, so he naturally included suggestions for strengthening the entire rail system. He pointed out sensibly that no railroad executive could concentrate on rebuilding or combating depression so long as he was compelled to devote his whole energies to conferences and hearings conducted by government agencies. Ruin was inevitable, he warned, unless the roads were relieved of the burden of the minutiae of Interstate

Commerce Commission regulations, the mass of paperwork and record-keeping. If a firm's officers must devote twelve or fourteen hours of the day to coping with the Commission, who then would operate the roads? Undoubtedly Kahn's resentment of the Commission dated back to the Harriman hearings; yet what he said was founded on common sense.

"This wretched year," 1930, Kahn wrote to Atterbury of the Pennsylvania Railroad. But it was to be followed by one more wretched still. Exports and imports dwindled; wholesale prices and payroll figures continued to fall, while unemployment rose. Almost eight million people were jobless: about one-sixth of the total labor force. The world abroad was in arms against the Hawley-Smoot tariff, passed in 1930. Nations enacted retaliatory tariffs and discriminated by license and quota devices against American goods. Over one thousand economists petitioned President Hoover not to sign the Hawley-Smoot bill, but he felt that the new tariff would improve our economic situation. Kahn, who had opposed restrictive tariff measures continuously since 1918, shook his head in despair.

His checks to aid the needy went out as frequently as before 1929 (but often for smaller sums), each one accompanied by a personal note asking that the money be used "to aid in relieving immediate want, distress and suffering in the present emergency." In order to continue with his benefactions, Kahn reduced his own expenditures. When he traveled, he and his party occupied ordinary berths and compartments in Pullmans; the era of the private palace car was past. Kahn joined Thomas Lamont and Myron C. Taylor on the Emergency Employment Committee, meetings of which he attended regularly through the depression. The big house at Cold Spring Harbor was maintained with its staff, to provide continued incomes for those who had worked there for ten years or more. But Kahn frequently sat alone in his study, searching history to find a parallel to the economic collapse of the United States.

Kahn came eventually to believe that responsibility for the crash and its resulting inevitable violent reaction belonged to the Republican "boosters" of the boom era. They had encouraged

the excesses. Now that they had brought ruin on the country, they seemed paralyzed. Why did the government not act? he asked again and again, railing against "pusillanimous fatuity" and inertia.

"The prevailing situation is an utterly abnormal one," Kahn wrote in 1931. "In certain of its features, it is almost unprecedented." Therefore unprecedented action was necessary. Kahn urged the government to intercede in matters which had previously been considered outside of its proper field, and asked for immediate reframing and revision of the tariff laws; municipal, state, and federal relief for the distressed; immediate action to make aid for the unemployed, the aged, and the sick a permanent feature of our economic system; and the creation of employment by the government through public works.

Congress, he said, should empower the President to act drastically in the emergency, "with real effectiveness and with that prompt decisiveness and amplitude and scope which are called for." He requested the President to appoint an economic general staff (he had suggested the same plan to Wilson in 1917) and institute the British "Royal Commission" plan of appointed fact-finding boards, made up of legislators and experts in given fields, these to act as reporters and consultants, to write public reports on the situation. "The 'laissez-faire' theories and contentions of the individualism of the so-called Manchester School are gone, never to return." National confidence could be restored only if and when the President acted, the government acted, and the people knew that action was being taken.

Like Keynes, whom Kahn had known for many years, whose economic theories are similar in many ways to his own, Kahn thought that the government must start the upward cycle by cutting down unemployment, thus leading the way to resumed business expansion and ultimately restoring buying power.

The President's leadership was "persistently unskillful." Business was "a vanishing quantity," Wall Street was "the abode of gloom, frustration and helplessness." Devastation was "sweeping the country." It was all "an appalling mess."

Kahn had lived to see the banking profession discredited, its

leaders reviled. The men who in Morgan's day had been considered omnipotent were compelled to confess publicly that they had not been able to forestall or control the panic, as they had in previous emergencies, and that they could no longer bolster up the sunken economy. Old scandals were unearthed, charges of incompetency hurled. The President of National City Bank was removed from office. The President of the Stock Exchange went to jail. Kahn's profession had been weighed by the public and found wanting. The exposés of hypocrisy, double-dealing, selfish protection of moneyed interests, and shameless manipulation made bankers seem little better than a gang of common thieves.

Kuhn, Loeb emerged from the postcrash investigations less scarred than other firms, for it had continually refused to participate in shaky boom enterprises; and thus it retained a certain stability even in the midst of chaos. Yet Kahn's appearance in Washington, before a subcommittee of the Senate Committee on Banking and Currency in late June, 1933, taxed him severely physically. He had suffered several minor heart attacks and had, in fact, been counseled by his physicians to avoid all exertion and strain. But when he was summoned to testify in the investigation of Stock Exchange practices, he answered immediately, in the hope—he said—that he might help to rebuild the confidence of the public in the banking profession.

The week Kahn was in Washington was insufferably hot. There is no doubt that Kahn suffered the most acute physical discomfort during the hearings. His friends thought his appearances in Washington appreciably shortened his life.

He was called first on June 27, in the Senate Office Building Caucus Room, where he met with Senator Duncan Fletcher of Florida, the subcommittee chairman; Senators Barkley, Costigan, Goldsborough, Townsend, and Steiwer; and Ferdinand Pecora, the committee counsel. Kahn testified concerning the functions of an investment banking house, the specific business of Kuhn, Loeb; and the firm's conduct of many transactions dating back over thirty-five years. He defended the railroads, as stoutly and astutely as he had in the Harriman hearings, but recapitulated

honestly and directly the most brutal facts about the insane speculative mania and the part brokers and bankers played in fomenting it. He pointed out that even though Paul Warburg had warned the public and the banking community of imminent disaster, large segments of both had ignored him.

"I greatly deplore some of the things that were done," Kahn said; "but who could have stemmed the buyers' tide? . . . I doubt whether anything but a catastrophe could have stopped that violence unless it had been stopped earlier by the Federal Reserve Board. I think in my own mind—and I may be all wrong —we might have been able to stop it earlier, but when it had taken full sway of the people, and there was an absolute runaway feeling throughout the country, I doubt whether anyone could have stopped it before calamity overtook us."

Kahn expanded on the economic and social evils inherent in the capital gains tax and tax-loss rulings and in the activities of bull and bear pools in stimulating and depressing the market artificially; and on speculation and short selling.

He reiterated his view that every organization and instrument that deals with money, currency, and credit should be under some sort of federal supervision, under an authority which would accomplish functions analogous to those undertaken by the Governor of the Bank of England.

The cornerstone of Otto Kahn's economic historical theory was the thirty-year cycle, on which he elaborated for the benefit of Senator Fletcher's Committee. Kahn recalled that when he came to the United States in 1893, the country was at the end of its industrial pioneer era. Then came Theodore Roosevelt, to inaugurate another thirty-year cycle, which ended with the crash. Now, in 1933, said Kahn, a "new deal" is being forged, of the utmost importance economically and socially. The time was right for a change: "overripe in some ways."

The committee questioned Kahn about a regulatory statute to govern the issuance of stocks and bonds by corporations: he favored such regulation. He favored laws to forbid the organization of investment trusts which deprived the investing public of a voice in the management and operation of the business and

the selection of its officers. He favored controls which would eliminate practices of short selling and short trading for the purpose of depressing the market, supervisory controls to eliminate stock exchange practices that might be, or had been proved, socially and economically harmful.

Far from resenting the investigators, Kahn met them openly, frankly, cordially. The committee hearings, he said, were important for the effect they would ultimately have on public opinion. If from these hearings "a guide, a code and a protection" could come, Kahn said, then the investigators would have performed a public service of great economic and social importance.

When he was asked directly by the committee what action the Congress of the United States should take to effect supervision and improvement of existing methods of investment banking, he replied unequivocally. Impose upon the investment banker the strictest requirements, forcing him to make public the exact nature of his business in every transaction, down to the smallest detail. Penalize him for deliberately or knowingly withholding information from the public or the government. Limit his profits, for by doing that you will prevent the profits themselves from reaching exorbitant levels and the banker from being tempted to reap them. If these rules are formulated and followed, he said, the government and public opinion will work together to eliminate the gougers, thieves, and gamblers in the field.

His testimony was received with approval by members of the banking profession and by the Senate committee and counsel. "I do not see how anyone could have made a better witness than Mr. Kahn," wrote Thomas S. Lamont of Morgan's. "His good nature and his thoughtful and able testimony reflect great credit upon your firm as well as upon the whole banking community." Winthrop Aldrich, Chairman of the Board of Governors and President of the Chase National Bank, wrote Kahn a personal note, praising his well conceived and brilliantly expressed testimony, "extremely helpful in improving the attitude of the Senate Committee and the public toward investment banking in general."

Senator Fletcher found Kahn "a very delightful gentleman"

who was liked by everyone. "It was a real treat to get his philosophy on banking, adequate securities, investment trusts, operations and the like. He was very helpful to the committee, gave us many new thoughts and splendid ideas. His fairness, broad views, and frank expressions commended him to everyone. . . . He is a fine character, and a man of marked intelligence and wonderful store of information."

The general feeling on Wall Street was that Kahn had done more to cast favorable light on the banking profession than any other man who had spoken since the crash.

He continued his old round of theatregoing. "I love *Uncle Vanya,*" he wrote in a burst of enthusiasm to Lillian Gish, adding a note of praise for "that brilliant and uniquely interesting Jed Harris." The "gorgeous satire" of *Once in a Lifetime* delighted him. *New Moon,* the opening of which he attended with Grace Moore, was an "unalloyed joy," as was *Strike Up the Band,* which he saw early in 1930 at the Times Square Theatre. At the Theatre Guild he saw *Midnight, Much Ado About Nothing, The Garrick Gaieties, Hotel Universe,* and *The Apple Cart.* Through the Philadelphia Theatre Association he renewed acquaintance with his old friends: *Lysistrata* and the *Menaechmi* of Plautus. Smetana's *Bartered Bride,* "one of my best beloved operas," he saw for the last time in his life at Ravinia Park in Chicago, his favorite festival opera season. "Ravinia without you would not be Ravinia," Louis Eckstein wrote Kahn warmly. In a jaunt to a far-flung, familiar corner of the theatrical world, Kahn made his annual pilgrimage to the Folies Bergères in Paris. "Second, third or fourth row only," he specified. As always, he reserved a seat for his coat and hat! As always, he was right down front. As far as he was concerned, there was no other suitable location in the theatre.

Together with Walter Chrysler, Nelson Doubleday, Vincent Bendix, Edward Hutton, Condé Nast, William K. Vanderbilt, and John Hay Whitney, he joined the Club Pierrot, to dine on the fortieth and forty-first floor roof gardens of the new Hotel Pierre. He continued to play the role of genial host to his fa-

mous Cold Spring Harbor weekends: the guest lists were no less impressive than they had been during the previous decade. On weekday evenings he sometimes stopped by the Apollo or Minsky's; for he had not lost his old taste for burlesque. At the Metropolitan, he began his twenty-fourth season as Chairman of the Board in 1930. Appointments with old friends claimed hours of his week.

David Belasco, seventy-six in 1930, treasured in Kahn a crony with whom he could reminisce about days long past, about Blanche Bates and *Girl of the Golden West,* the old melodramas almost forgotten. "It is so like you not to forget me," Belasco wrote.

Norman Thomas and Kahn kept their annual luncheon date faithfully year after year.

Dreiser, whom Kahn visited at the writer's studio at 200 West Fifty-seventh Street, returned Kahn's visits by coming to tea at Ninety-first and Fifth. Nast and Crowninshield and Ned Ziegler and Ursula Parrott, and Wiseman of Kuhn, Loeb—Kahn kept up with them all; and managed to establish new relationships—with General Smith, with Gerhard Hauptmann, with Upton Sinclair and Pirandello; with cartoonist Ham Fisher, his "fervent philosophical disciple"; with Frank Lloyd Wright, whom Kahn met for the first time in April, 1932, at Griffith Bailey Gale's studio in Greenwich Village.

His old habit of leisurely walking had not changed; neither had the swift rate at which his mind absorbed new ideas. "The slowest gait and quickest mind in New York," Crowninshield said. After 1929 the gait became more deliberate; the mind moved faster.

As others in America became more and more preoccupied with domestic problems, Kahn somehow found extra hours for keeping abreast of European affairs. He read through several foreign dailies, among them the *Berliner Tageblatt,* the *Manchester Guardian,* two Paris papers, and the *Times* of London. He was a subscriber to *The Atheneum, The Nation, The London Economist, Home and Abroad, The Spectator, Europe Nouvelle, La Revue Internationale, Revue de l'Art, Revue Poli-*

tique et Parlementaire, Revue Diplomatique, Revue Europienne, Revue Radio, The New Statesman and Nation, Investor's Review, The London Observer, The Business Chronicle, The Jewish Quarterly Review, The Magazine of Wall Street, The New Masses, and a dozen of other less important publications.

He got three copies of *The New Yorker* each week: one for his office, one for the house on Fifth Avenue, one for Cold Spring Harbor. He managed to absorb the contents of all these publications; and when one failed to arrive, he wanted to know why. "Am I not a subscriber to *Fortune?* I thought I was," he wrote in a memorandum to his secretary shortly before his death.

Vanity Fair was a particular joy to him. "Engaging, bright, interesting, *'spiritual,'* discriminating . . . undeviating in its adherence to the canons of good taste, gay, good-looking and stylish, with a serious purpose behind its dashing ways," he wrote. *Vanity Fair* returned Kahn's love, with interest. He became a familiar figure on its pages, and was the first in the series of Covarrubias caricatures of "Private Lives of Great Men."

He read as many books as periodicals, demanding to have the new Evelyn Waugh and the new Ursula Parrott. He reread Heine, especially the *Buch der Lieder,* the *Harzreise* and *Bäder von Lucca;* and read with much pleasure the poetry of Renan.

New philosophies piqued his curiosity, especially the "new humanism" of the 1920's, an elucidation of which Kahn sought from Frank Crowninshield. "Can you give me a definition of it?" Kahn asked. Crowninshield obligingly provided a typed summary of the principal tenet of the movement, citing Eliot: "A humanist is a man who exercises, in a sort of psychic solitude, self-control purely for the sake of control."

"Does it have any bearing on literature and the fine arts?" Kahn asked.

His mentor replied that it had "some."

After reading everything Eliot had written on the movement, after following through with the essays of Irving Babbitt of Harvard, Paul Elmer More of Princeton, and Henry Hazlitt, Kahn concluded: "I am not likely to become a convert." Then he added: "All the same, I want to know more than I do about

a movement which is causing such a stir among the intelligentsia of two continents."

In this frame of mind, he turned to the study of the life of Thomas Jefferson, a President whom Kahn had previously neglected in favor of Lincoln. "Heaven-born genius," he said, after months of concentrating on Jefferson's achievements. "How marvelous the versatility of his gifts! Taking everything into consideration, I would venture to appraise him as the greatest man that America has produced."

19

Twilight and Night

To ANYONE who knew Kahn only casually, and to many who knew him well, he seemed unchanged. Older, certainly; but neither depressed nor subdued. Only a handful of people knew that during the last four years of his life he was absorbed with a reexamination of his sixty-odd years and a reevaluation of his achievements.

"In these long weeks of retirement, I have had the chance for much contemplation and for holding the mirror up to myself," he wrote thoughtfully to Herbert Bayard Swope in 1932. What had Kahn seen in that mirror?

A man too much given to Wall Street, he thought. "The only dependable and lasting values are those of the spirit," he said to Stanislavsky during this period of intense self-examination. To Swope: "One thing I can promise: I shall be a somewhat wiser man than heretofore, in the sense of being more clearly conscious of the relative worthwhileness of things.

"I am trying to practice philosophy and learn somewhat late in life the real meaning of *'vanitas vanitatum.'*" Kahn knew that it was late. His physicians had told him. For the first time in his life he began to have regrets. "How I envy you," he exclaimed to Walter Wanger, "being connected with motion pictures and the theatre! Think of all the creators that you know. What a contrast to the people who have occupied so much of my life!"

And to a casual acquaintance: "How much of my life has been wasted in dull occupations!"

In spite of the fact that he had given away millions of dollars to his protégés, he began to be obsessed with the conviction that he had not done enough. With the depression raging, he assisted jobless men and women, brushing aside their thanks. "I am by no means a 'grand sort of person,' but I have human sympathy, thank God, and that is more effective in keeping a fellow young than . . . any other rejuvenation process." To the leftist playwright Em Jo Basshe, Kahn wrote simply: "I have a medieval appreciation of dreamers."

In these last years Kahn began to be assailed with a longing for his homeland, after forty years of disclaiming sentimental memories of Germany. Writing of Mannheim and Bamberg: "How lovely those places are! What a romantic spell attaches to them! The older I get the more I develop a regular sentimental 'Heimweh' in the spring. . . . As Heine says:

'Denk ich am Deutschland in der Nacht
So bin ich um den Schlaf Gebracht.'

It isn't so bad as that in my case, but anyhow *'Mein Herz ist nicht hier.'* "

His reawakened love for the Germany that he recalled was stimulated at least in part by the dismay he suffered over the Nazi persecution of Jews there. As early as 1930 he met privately with men such as Albert Einstein to discuss in small groups the anti-Semitic movement. He withdrew from German-American organizations, to some of which he had belonged for thirty years.

"As long as fully one-third of the German population is affiliated with a movement, one of the principal planks of which is ruthless anti-Semitism, I cannot see how as a Jew I can take any other attitude personally but one of aloofness," he wrote as he resigned from the Board of Trade for German-American Commerce.

Reluctantly he turned his back on *Deutsche Haus* of Columbia, which he had helped to support for decades. "As long as

anti-Semitism is one of the tenets of the strongest party in Germany (which, moreover, is particularly potent among the German *Kulturstaetten*) I cannot make it compatible with my self-respect as a Jew to support institutions which, however tolerant and liberal themselves, are identified with *Deutschtum.*"

The only German enterprise he continued to aid was the reading room for workers which his father had founded in Mannheim. Kahn's contribution of one thousand marks to the Bernard Kahn *Lesehalle* of the Mannheim *Volkhochsschule* was in 1932 accompanied by a curt note saying that it would be impossible for him to reconcile his support with his self-respect as a Jew "if, after the lapse of another year, the Hitler party continues to be by far the strongest and most popular party in Germany."

Before the year elapsed the Nazis had seized the initiative and closed the little library, dismissing its director and confiscating its books. Kahn was saddened at the news, for the *Lesehalle* had served hundreds of German workers as a meeting place since before the turn of the century and had given them access to a large collection of books drawn from the literatures of virtually every culture in the world. "There is nothing to be done," Kahn said sorrowfully, when his secretary inquired about the confiscation.

He canceled his reservations for the annual dinner of the Academy of Political Science when he learned that the German ambassador to the United States was to be a guest of honor. Both Moselle and Rhine wines disappeared from the Kahn table as he canceled all orders for the future from his wine merchant in Frankfurt.

But the mere act of withdrawing was not enough. He contributed to the Institute of International Education, to assist in the placing of German professors in American colleges and universities. For the first time he accepted chairmanship of a Jewish charity committee when, in 1933, he assumed direction of the campaign dinner for the Federation for the Support of Jewish Philanthropic Societies. His donations of $10,000 in each of two years at the height of the depression gave additional proof of his support. Members of the American Jewish community

could scarcely conceal their joy at what they called "Kahn's conversion," for his indifference toward Jewish organizations over forty years had left many Jews with the impression that he was at least passively anti-Semitic. They were unaware that he always gave to Jewish charities; what they saw was a man who refused to pay lip service to Judaism. "Finally Kahn is *bar mitzvah*," they said.

What they could not know was that his sudden declaration of his faith was motivated more by the strain of human compassion so basic to his character than by blood ties with Jews.

"From the spiritual point of view, the idea of the land of Goethe labelling itself with the etiquette of Hitler *et hoc genus omne* is abhorrent to me," he said in confidence to a friend. In a letter to Henry Hurwitz of The Menorah Association, he remarked that "the world's protest should be based not merely on the issue of the barbarous persecution of the Jews in Germany, but likewise on that of humanity and freedom; but after all there is a still more revolting degree of infamy in having the vast mass of German gentiles turn hate, cruelty and ruthless oppression upon 600,000 German Jews, merely because of the accident of their being born Jews, than in the dismissal of men of liberal convictions from their offices and occupations. The latter is an incident, however deplorable and sickening, of a reactionary revolution; the former is unadulterated and cowardly barbarism."

It was the inhumanity of persecution that mattered, not the race and religion of the victims. It was the final irony of Kahn's life that history compelled him to declare himself a Jew at the very time when, led by a Jewish friend who had been converted to the Roman Catholic faith, he himself was prepared to become a Christian. He told a friend privately that he believed that St. Francis, St. Paul, and Jesus were the three greatest figures of history. One must believe, he said, that Jesus was the true Messias, but that he could not by partaking of baptism appear to be deserting his own people at a time when there was so much pressure against them.

Speaking at a Jewish charity banquet, he said, "This is the time for every one of us to heed the call of the blood which

courses in his veins and loyally and proudly to stand up and be counted with his fellow Jews."

It is hell to be considered rich, Kahn said, at the peak of the depression. Swamped with responsibilities, demands, commitments, and overhead, concerned over reduced income and faltering business, he was plagued with ill health as well. In 1929, he had suffered from a severe sinus and bronchial infection, aggravated by high blood pressure and the general stress of responsibilities. "I will not be responsible for your welfare unless you take a long rest," his physician told him, adding that every week of delay in planning the vacation was endangering his very life. But Kahn's idea of a "complete rest" was a few weeks in Palm Beach, followed by several months of work in New York and the annual exhausting European trip—extended in 1929 to include the cruise to Scandinavia.

The following year he took two months off "to get away from the rush, turmoil, nervous wear and tear, and gasoline-infected air of New York"; but in Hot Springs and White Sulphur Springs he deplored the boredom, "as dull as only an American country hotel can be," and after two weeks he returned to New York.

Later in 1930 he was off to Europe again: three weeks at Montecatini Terme, one at Villa d'Este, one in Paris, one in London. The same hectic round, whether in Europe or New York.

The next year, 1931, he continued to push himself as mercilessly as he had previously. It was a painful year which brought the deaths of Mortimer Schiff, Paul Warburg, Judge Robert Lovett, and several less intimate friends and thrust additional burdens and responsibilities upon him. He, who claimed he had "never been tired" in his life, was forced to stop working and take the cures at Royat and Evian-les-Bains. The first traces of developing tuberculosis had been discovered: a lesion on the left lung. When he returned to New York in the fall, he collapsed. "It is even so," he wrote. "The machine, after many years of loyally patient submission to neglect and overstrain, has rebelled."

He was confined to bed in the big gray house at 1100 Fifth Avenue during September and most of October in 1932. Only after six weeks of isolation was he permitted to sit in an easy chair in his study, later to walk through the house.

"Apparently I am in for a somewhat lengthy test of patience at best," he wrote wearily. "There is nothing to do but resign myself to it." He missed seeing the Abbey Players, whom he had helped; but he received Yeats, Dreiser, and other close friends at home. December came; and he had still not been permitted to resume activity downtown.

The first three months of 1933, spent in Europe, apparently rejuvenated him so completely that, returning to New York at the end of March, he threw himself back into the life he loved. During the day, Kuhn, Loeb; at night, the theatre. "My health is quite restored, I am gratified to say, and in spite of my wife and doctors, I *am* taking on too much work, I am *not* careful of myself, and I am hot on the scent of the great adventure of life. I happen to be built that way, and I hope to remain that way, *bis an mein seliges Ende*."

It happened exactly as Kahn hoped it would. He seemed determined to fill what remained of his life with as much experience as he could encompass. He toured Europe a second time in 1933, sailing on July 5 and returning only at the end of September. The last three months of the year, it was again Kuhn, Loeb and the theatre. In January, 1934, he went to Palm Beach, for the last time.

On the morning of March 29, he came to his office, apparently in good health. But at noon, as he rose to leave the firm's private dining room, he slumped over the luncheon table. As he fell, Lewis Strauss leaped from his own chair to assist him, but Kahn was already dead. *"Bis an mein Seliges Ende";* and he had died quickly, without pain, precisely as he would have wished. The immaculate suit, the vest, the tie, and the fresh boutonniere, all unmussed and in order.

Newspapers throughout the country mourned his passing in their editorial columns. Small-town journals, published in communities where he had never visited, eulogized him with a sor-

row which was no less sincere than that reflected in the newspapers of the large cities, where he was a familiar figure.

At the New York Philharmonic, Toscanini played the slow movement of the *Eroica* Symphony in his memory, then requested the audience to stand for one minute of silence. At the Metropolitan Opera, Mayor Fiorello La Guardia spoke of Kahn during the second intermission of *Parsifal,* which was performed in his memory.

Condolences poured in from all over the world. But the tribute which came closest to touching the truth about him came from a sympathizer who wrote a letter to Mrs. Kahn:

"He burned out his life in an eager effort to make his visions of a brighter life more real in service to the many."

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son, Grace Moore, and hundreds of other artists whose names are now part of that history.

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